

Enrollment & Communication System

SAMPLE REPORTS

FLEXSOFT, INC.
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Flex-Soft's Enrollment & Communication System is a Windows based system that generates both employer and employee reports illustrating the financial impact of selecting various options in a tax qualified salary reduction pension plan -- 401(k), 457, or 403(b) plan. It provides employee benefits professionals with the tools to assist employers with plan design considerations, and with employee communications regarding enrollment and ongoing contribution choices.

The employer report summarizes census information and shows the maximum employer cost of matching contributions in relation to maximum deferral percentages. It also shows the service and age distribution of the employee population. The paycheck illustration details the impact on take home pay, tax savings, and projected accumulations for a variety of deferral percentages.

The program is typically used to assist in plan design, to establish employer matching contributions, and to encourage retirement plan participants to invest more pretax dollars into the employer's retirement plan. The enrollment form report illustrates the State and Federal tax savings for each employee at various deferral percentages (chosen by the user) based on each employee's income, marital status, and State and Federal withholding. All fifty state tax modules are available, and up to eight deferral percentages can be shown on the enrollment form.

Flex-Soft generates employee census lists sorted on up to 12 criteria, deferral lists, life insurance billing, "Snapshot" discrimination tests and demographic summary. The user may input unlimited investment choices, and any number of life insurance company rates.

Features included in the system are as follows:

- Automatic exclusion of ineligible employees based on age and service requirements.
- Automatic deferral reduction for highly paid participants.
- ADP, ACP and aggregate calculations.
- Displays of participants' current deferral percentage, balance & investment splits.
- Comprehensive import & export features
- Beneficiary Forms
- Retirement Need Analysis. Illustrates individual financial needs at retirement.
- Taxable vs. Tax Deferred growth analysis graph.
- Ability to enter dollar amount or percentage of pay for deferral.
- Illustrates profit sharing plan contribution.

Date Introduced	Price	System Requirements
1985	\$795 per system	486 PC
Latest Version 5.2	\$395 Annual Maintenance	Windows 3.1 or Higher

INTENDED USER

Any person involved in the development, installation, funding or administration of qualified plans, including the following: Employee Benefits Consultants, Administrators, Third Party Administrators, Banks, Mutual Fund Companies, and Accountants.

Sample Employer, Inc. Employee Census Report

	FAM	D%	NAME	ST	OP	OP%	DOB	AGE	DOH	INCOME	PP	STA	SEX	EX1	EX2	LOCAL	SMK	SS#	HW
1		4.00%	SHERRY ALBERT	CA		0	05/01/60	35	01/01/80	\$25,000.00	24	S	F	0	1	123456	No	123-45-6780	0
2		6.00%	SHERRY BABCOCK	CA		0	01/01/62	33	07/02/87	\$25,000.00	24	S	F	0	0	MPLS	No	343-43-4358	0
3		8.00%	ANTHONY BABCOCK	CA		0	01/01/55	40	01/01/80	\$100,000.00	24	M	M	0	1	HERE	No	111-22-3333	0
4		3.00%	JENNIFER BABCOCK	CA	O	25	01/01/59	36	10/02/86	\$100,000.00	24	M	F	0	1	EDINA	No	564-12-3455	0
5		7.00%	MARY CONNOR	CA		0	07/01/60	35	10/02/86	\$40,000.00	24	M	F	0	18	EDINA	Yes	534-34-2211	0
6		8.00%	RALPH DODGE	CA		0	07/02/60	35	01/03/83	\$40,000.00	24	M	M	0	1	MPLS	Yes	222-11-1133	0
7		5.00%	JOHN ERICKSON	CA		0	07/03/60	35	01/03/84	\$42,500.00	24	M	M	0	1	EDINA	Yes	534-34-2211	0
8		1.00%	THOMAS FRANK	CA		0	06/05/21	74	01/01/81	\$47,800.00	24	M	M	0	1	EDINA	Yes	456-56-7789	0
9		9.50%	KATE GREGSON	CA		0	11/16/51	43	01/02/79	\$32,090.00	24	M	F	0	22	EDINA	No	564-12-3455	0
10		9.50%	JANICE HUGHES	CA		0	12/14/59	35	01/02/76	\$19,500.00	24	S	F	0	22	EDINA	No	456-56-7789	0
11		4.00%	STACY INEZ	CA		0	10/26/71	23	01/01/85	\$16,000.00	24	M	M	0	22	MPLS	Yes	222-11-1133	0
12		10.00%	JACK JACOBS	CA		0	12/10/71	23	01/02/87	\$10,400.00	24	S	M	0	22	MPLS	No	676-78-9076	0
13		8.00%	PHIL KIRK	CA		0	02/03/49	46	01/02/83	\$29,700.00	24	S	M	0	22	MPLS	No	448-47-8991	0
14		1.00%	SALLY LARSON	CA		0	08/24/59	35	12/01/84	\$80,000.00	24	S	M	0	1	MPLS	No	456-36-6134	0
15		8.00%	CAL LARSON	CA		0	08/15/64	30	08/16/78	\$23,000.00	24	M	M	0	2	EDINA	No	344-55-6466	0
16		5.00%	JAMES NOONAN	CA		0	11/23/58	36	04/04/78	\$31,000.00	24	M	M	0	3	EDINA	No	423-38-7876	0
17		0.00%	OSSIE OSMONE	CA		0	09/18/64	30	08/16/83	\$22,000.00	24	S	M	0	0	MPLS	No	908-09-8098	0
18		8.00%	PAT PAULIE	CA		0	03/03/64	31	01/02/76	\$21,400.00	24	S	F	0	18	MPLS	No	654-65-7544	0
19		0.00%	SUE QUESENT	CA		0	09/11/58	36	04/01/84	\$18,900.00	24	M	F	0	1	MPLS	No	804-39-0211	0
20		5.00%	JOHN RALPH	CA		0	05/23/49	46	01/14/83	\$20,800.00	24	S	M	0	1	LA	No	988-73-2233	0
										\$745,090.00									

Fam = Family Attribution
 D% = Deferral Percent
 ST = State
 OP = Officer or Partner

OP% = Percentage Owned
 DOB = Date of Birth
 AGE = Age nearest birthday
 DOH = Date of Hire

INCOME = Annualized Income
 PP = Pay Period Per Year
 STA = Filing Status
 SEX = Male or Female

EX1 = State Exemptions
 EX2 = Federal Exemptions
 SMK = Cigarette Smoker
 SS# = Social Security #

HW = Hours Worked

Mary Connor

Tax Bracket 33.00%

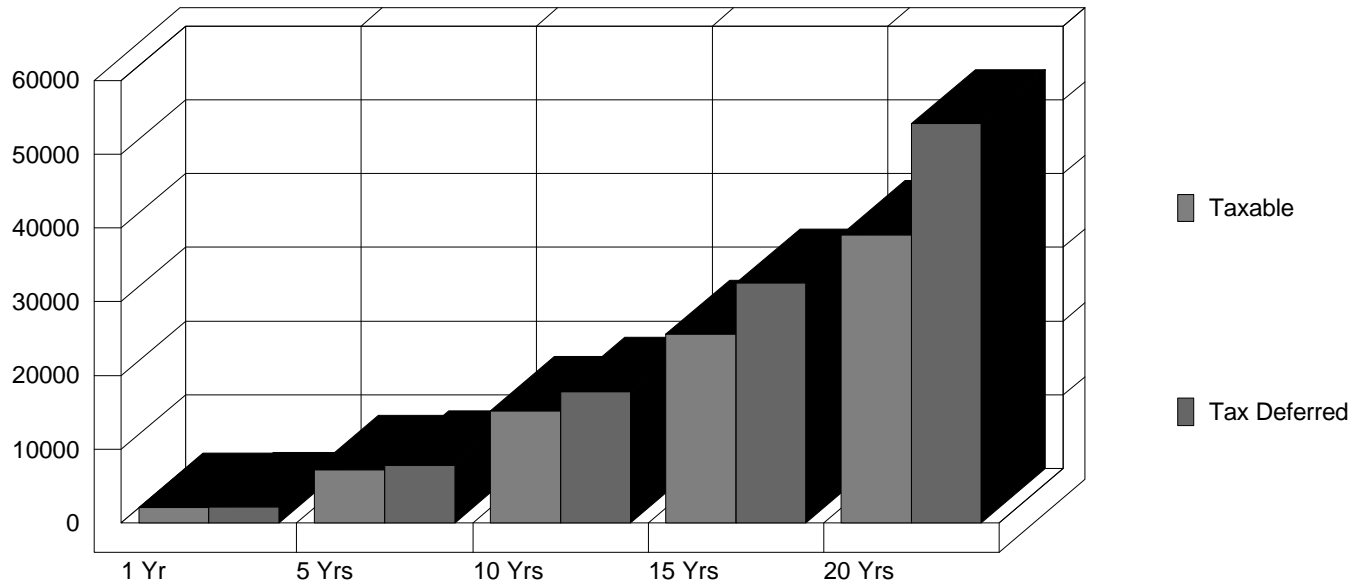
Initial Investment \$1,000.00

Interest Rate 8.00%

Annual Investment \$1,000.00

Year	Taxable	Tax-Deferred	Difference
1	\$2,107.20	\$2,160.00	\$52.80
5	\$7,162.13	\$7,805.26	\$643.13
10	\$15,162.49	\$17,804.41	\$2,641.92
15	\$25,549.45	\$32,496.45	\$6,947.00
20	\$39,034.96	\$54,083.88	\$15,048.92

Taxable Vs. Tax Deferred Growth



Pre-tax accumulations are taxed upon withdrawal.

This is a hypothetical illustration only and is not indicative of any particular investment or performance.

Sample Employer Corp.

MARY CONNOR

Current Age	37
Retirement Age	65
Years to Retirement	28
Investment Return	10.00%
Inflation	3.00%
Annual Income	\$40,000.00
Future Value of Current Income @ Retirement	\$91,517.11
Percentage of Current Income Desired @ Retirement	100.00%
Desired Income @ Retirement	\$91,517.11
Current Savings Balance (Outside Pension Plan)	\$0.00
Current Annual Savings (Outside Pension Plan)	\$0.00
Current Annual Savings @ Retirement	\$0.00
Current Pension Plan Balance	\$5,000.00
Current Annual Pension Plan Investment	\$1,756.93
Pension Plan Assets @ Retirement	\$353,506.49
Account Value @ Retirement	\$353,506.49
Annual Income Provided By Above Account Value	\$22,864.80
Account Value Needed @ Retirement To Reach Goals	\$1,414,921.26
Account Value Shortage @ Retirement	\$1,061,414.77
Additional Annual Investment Needed to Meet Goals	\$7,189.65

All values are estimated and based on current interest and mortality assumptions. Future experience will determine actual results.

Sample Employer Corp.

Profit Sharing Plan and 401(k) Plan

Name	Soc. Sec. No.	State	Location	ID No.	Date of Hire	Date of Birth	Age
MARY CONNOR	534-34-2211	MN	EDINA	3	10/02/86	07/01/60	37

Annual Income	Filing Status	Exemptions	Pay Periods	Enrollment Date
\$40,000.00	M	State= 0 Federal= 1	24	05/09/97

Balance	Employer Match	Profit Sharing	Maximum Deferral
\$5,000.00	100% On 1st 5% of Pay	4.39%	20.00%

A) Effect on Take Home Pay (Estimated)

Deferral %	0.00%	2.00%	3.00%	5.00%	6.00%	7.00%	8.00%	9.00%
Gross Pay	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67
- Pretax Deferral	\$0.00	\$33.33	\$50.00	\$83.33	\$100.00	\$116.67	\$133.33	\$150.00
Taxable Gross Pay	\$1,666.67	\$1,633.33	\$1,616.67	\$1,583.33	\$1,566.67	\$1,550.00	\$1,533.33	\$1,516.67
- Social Security	\$127.50	\$127.50	\$127.50	\$127.50	\$127.50	\$127.50	\$127.50	\$127.50
- Federal Tax	\$192.81	\$187.81	\$185.31	\$180.31	\$177.81	\$175.31	\$172.81	\$170.31
- MN State Tax	\$99.05	\$96.38	\$95.05	\$92.38	\$91.05	\$89.72	\$88.38	\$87.05
= Take Home Pay	\$1,247.30	\$1,221.64	\$1,208.80	\$1,183.14	\$1,170.30	\$1,157.47	\$1,144.64	\$1,131.80

Deduction Net Pay	\$0.00	\$25.67	\$38.50	\$64.17	\$77.00	\$89.83	\$102.67	\$115.50
+ Tax Savings	\$0.00	\$7.67	\$11.50	\$19.17	\$23.00	\$26.83	\$30.67	\$34.50
+ Employer Match	\$0.00	\$33.33	\$50.00	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33
+ Profit Sharing	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21
= Total Contribution	\$73.21	\$139.87	\$173.21	\$239.87	\$256.54	\$273.21	\$289.87	\$306.54
You're Ahead by	\$73.21	\$114.21	\$134.71	\$175.71	\$179.54	\$183.37	\$187.21	\$191.04

Hypothetical Projection Assuming 10% interest rate

After 5 Years	\$19,641.74	\$30,022.41	\$35,212.51	\$45,593.18	\$48,188.34	\$50,783.51	\$53,378.68	\$55,973.84
After 10 Years	\$43,780.24	\$71,274.57	\$85,021.10	\$112,515.43	\$119,389.01	\$126,262.59	\$133,136.17	\$140,009.75
At Age 65	\$353,506.49	\$600,589.79	\$724,125.81	\$971,209.11	\$1,032,979.93	\$1,094,750.76	\$1,156,521.59	\$1,218,292.41
Cost of Wait 1 YR	\$27,487.83	\$52,520.69	\$65,036.54	\$90,069.40	\$96,327.61	\$102,585.83	\$108,844.04	\$115,102.26

PLEASE NOTE THAT CURRENT INTEREST RATES AND VALUES SET FORTH IN THE ILLUSTRATION ARE NOT GUARANTEED.

B) Investment Selection

I am currently investing \$116.67 (7.00% of Pay Before Taxes). I wish to change my deferral percentage to _____% of PAY

Current Allocation		New Allocation	Current Allocation		New Allocation
0%	Core Equity Account	_____%	25%	Guaranteed Account	_____%
0%	Delaware Decatur Total Return	_____%	0%	High Yield Bond Account	_____%
25%	Delaware Global Bond Account	_____%	0%	Janus Account	_____%
25%	Government Bond Account	_____%	0%	Short Term Account	_____%
0%	Government/Corp. Bond Account	_____%	25%	Value Equity Account	_____%

Above Changes Refer to: (Check One) New Contribution Only. Old and New Contribution.

C) Plan Participation Option

YES, I WISH TO MAKE THE ABOVE CHANGES.

Sign Here _____ Date ____/____/____

NO, I DO NOT WISH TO MAKE ANY CHANGES.

Sign Here _____ Date ____/____/____

D) Employer Approval Signature

Sign Here _____ Date ____/____/____

Sample Employer Corp.

Profit Sharing Plan and 401(k) Plan

Name	Soc. Sec. No.	State	Location	ID No.	Date of Hire	Date of Birth	Age
MARY CONNOR	534-34-2211	MN	EDINA	3	10/02/86	07/01/60	37

Annual Income	Filing Status	Exemptions	Pay Periods	Enrollment Date
\$40,000.00	M	State= 0 Federal= 1	24	05/09/97

Balance	Employer Match	Profit Sharing	Maximum Deferral
\$5,000.00	100% On 1st 5% of Pay	4.39%	20.00%

A) Effect on Take Home Pay (Estimated)

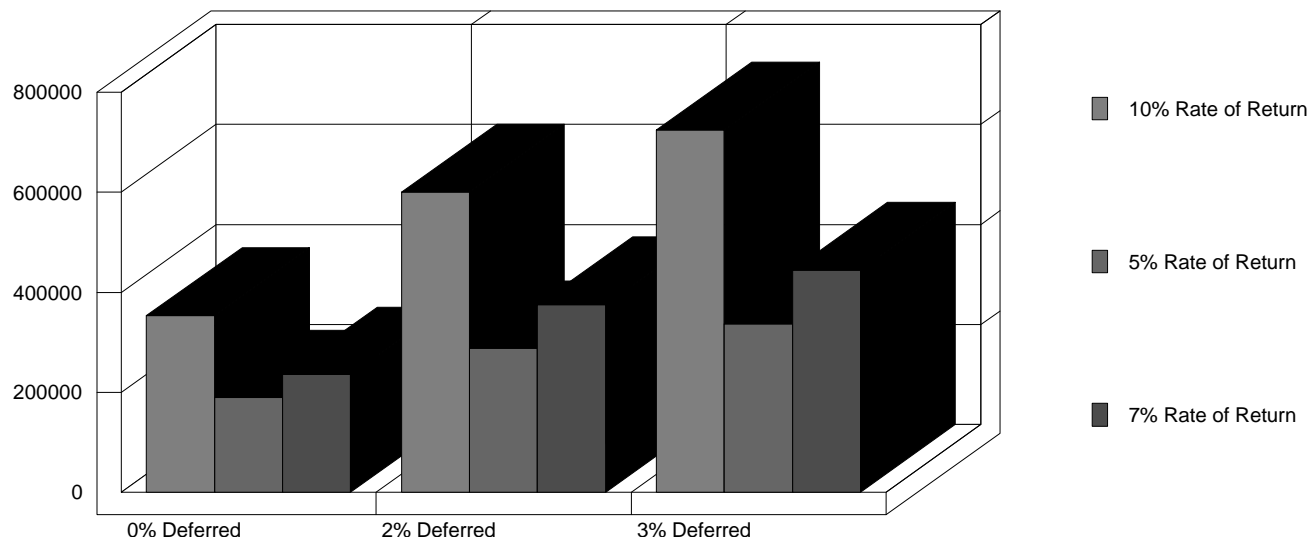
Deferral %	0.00%	2.00%	3.00%	5.00%	6.00%	7.00%	8.00%	9.00%
Gross Pay	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67
- Pretax Deferral	\$0.00	\$33.33	\$50.00	\$83.33	\$100.00	\$116.67	\$133.33	\$150.00
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Deduction Net Pay	\$0.00	\$25.67	\$38.50	\$64.17	\$77.00	\$89.83	\$102.67	\$115.50
+ Tax Savings	\$0.00	\$7.67	\$11.50	\$19.17	\$23.00	\$26.83	\$30.67	\$34.50
+ Employer Match	\$0.00	\$33.33	\$50.00	\$83.33	\$83.33	\$83.33	\$83.33	\$83.33
+ Profit Sharing	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21	\$73.21
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At Age 65	\$353,506.49	\$600,589.79	\$724,125.81	\$971,209.11	\$1,032,979.93	\$1,094,750.76	\$1,156,521.59	\$1,218,292.41
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BENEFICIARY DESIGNATION FORM

Employer : Sample Employer Corp.
 Employee: MARY CONNOR

Plan Number: 002
 Social Security No.: 534-34-2211

Check a box below and complete appropriate section.

- 1) I am NOT MARRIED and designate the following person(s) to receive any death benefits. I understand if I marry , the designation becomes void one year after my marriage.

Class	SS#	Name	Relationship	Address	Amount/%

- 2) I am MARRIED and designate my spouse named below to receive ALL death benefits from the Plan.

Spouse's Name	Spouse's Address

If my spouse is not living, then pay death benefits to:

Class	SS#	Name	Relationship	Address	Amount/%

- 3) I am MARRIED and designate the following person(s) to receive death benefits from the Plan.

Class	SS#	Name	Relationship	Address	Amount/%

Spouse consent (REQUIRED for #3, Above):

I consent to this designation which eliminates all or part of the benefits (Qualified Joint and Survivor and Qualified Pre-Retirement Survivor benefits) otherwise payable to me from the plan if my spouse dies.

_____ /_____/_____
Spouse Signature **Date**

- (Check if Applicable)
 I certify that my spouse cannot be located to sign this Spouse's consent. I will notify my Employer if my spouse is located.

_____ /_____/_____
Plan Representative Sign. (witness) **Date**

_____ /_____/_____
Notary Public (if not witnessed by Plan Representative) **Date**

Subscribed and sworn before me this _____ day of _____, 19____

.....
 This designation revokes all prior designations made under the plan.

_____ /_____/_____
Employee Signature **Date**

_____ /_____/_____
Employer Signature **Date**

Sample Employer, Inc.

401(k) Discrimination Test

		Employee		Employer				
NAME	Income	Deferral \$	EE %	Match \$	ER %	Total \$	%	415 Limit
LARSON, S	\$80,000.00	\$800.00	1.00%	\$200.00	0.25%	\$1,000.00	1.25%	\$19,800.00
BABCOCK, J	\$100,000.00	\$3,000.00	3.00%	\$200.00	0.20%	\$3,200.00	3.20%	\$24,250.00
BABCOCK, A	\$100,000.00	\$8,000.00	8.00%	\$200.00	0.20%	\$8,200.00	8.20%	\$23,000.00
BABCOCK, S	\$25,000.00	\$1,500.00	6.00%	\$200.00	0.80%	\$1,700.00	6.80%	\$5,875.00
Highly Comp Total	\$305,000.00	\$13,300.00		\$800.00		\$14,100.00		
ALBERT, S	\$25,000.00	\$1,000.00	4.00%	\$200.00	0.80%	\$1,200.00	4.80%	\$6,000.00
CONNOR, M	\$40,000.00	\$2,800.00	7.00%	\$200.00	0.50%	\$3,000.00	7.50%	\$9,300.00
DODGE, R	\$40,000.00	\$3,200.00	8.00%	\$200.00	0.50%	\$3,400.00	8.50%	\$9,200.00
ERICKSON, J	\$42,500.00	\$2,125.00	5.00%	\$200.00	0.47%	\$2,325.00	5.47%	\$10,093.75
FRANK, T	\$47,800.00	\$478.00	1.00%	\$119.50	0.25%	\$597.50	1.25%	\$11,830.50
GREGSON, K	\$32,090.00	\$3,048.55	9.50%	\$200.00	0.62%	\$3,248.55	10.12%	\$7,260.36
HUGHES, J	\$19,500.00	\$1,852.50	9.50%	\$200.00	1.03%	\$2,052.50	10.53%	\$4,411.88
INEZ, S	\$16,000.00	\$640.00	4.00%	\$160.00	1.00%	\$800.00	5.00%	\$3,840.00
JACOBS, J	\$10,400.00	\$1,040.00	10.00%	\$200.00	1.92%	\$1,240.00	11.92%	\$2,340.00
KIRK, P	\$29,700.00	\$2,376.00	8.00%	\$200.00	0.67%	\$2,576.00	8.67%	\$6,831.00
LARSON, C	\$23,000.00	\$1,840.00	8.00%	\$200.00	0.87%	\$2,040.00	8.87%	\$5,290.00
NOONAN, J	\$31,000.00	\$1,550.00	5.00%	\$200.00	0.65%	\$1,750.00	5.65%	\$7,362.50
OSMONE, O	\$22,000.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$5,500.00
PAULIE, P	\$21,400.00	\$1,712.00	8.00%	\$200.00	0.93%	\$1,912.00	8.93%	\$4,922.00
QUESENT, S	\$18,900.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$4,725.00
RALPH, J	\$20,800.00	\$1,040.00	5.00%	\$200.00	0.96%	\$1,240.00	5.96%	\$4,940.00
Non-Highly Comp Total	\$440,090.00	\$24,702.05		\$2,679.50		\$27,381.55		
Grand Total	\$745,090.00	\$38,002.05		\$3,479.50		\$41,481.55		

Sample Employer, Inc.
401(k) Discrimination Test
Discrimination Test Summary

	In	Out	Total	Income	Employee Deferral \$	EE %	Employer Match \$	ER %	Total \$	%
Key Total	1	0	1	\$100,000.00	\$3,000.00		\$200.00		\$3,200.00	
Average				\$100,000.00	\$3,000.00	3.00%	\$200.00	0.20%	\$3,200.00	3.20%
HCG Total	4	0	4	\$305,000.00	\$13,300.00		\$800.00		\$14,100.00	
Average				\$76,250.00	\$3,325.00	4.50%	\$200.00	0.36%	\$3,525.00	4.86%
NHCG Total	14	2	16	\$440,090.00	\$24,702.05		\$2,679.50		\$27,381.55	
Average				\$27,505.63	\$1,543.88	5.75%	\$167.47	0.70%	\$1,711.35	6.45%
Grand Total	18	2	20	\$745,090.00	\$38,002.05		\$3,479.50		\$41,481.55	
Average				\$37,254.50	\$1,900.10	5.50%	\$173.98	0.63%	\$2,074.08	6.13%

401(k) Non-Discrimination Testing

ADP Test

The ADP (Average Deferral Percentage of the Non Highly Compensated Employees)	5.75%	
The ADP (Average Deferral Percentage of the Highly Compensated Employees)	4.50%	
The ADP of the Highly Compensated Group cannot exceed 5.75% * 1.25%	7.19%	PASS
or if greater the lesser of:		
The ADP of NHCG 5.75% * 2	11.50%	
The ADP of NHCG 5.75% + 2	7.75%	PASS

ACP Test

The ACP (Actual Contribution Percentage of the Non Highly Compensated Employees)	0.70%	
The ACP (Actual Contribution Percentage of the Highly Compensated Employees)	0.36%	
The ACP of the Highly Compensated Group cannot exceed 0.70% * 1.25%	0.87%	PASS
or if greater the lesser of:		
The ACP of NHCG 0.70% * 2	1.40%	PASS
The ACP of NHCG 0.70% + 2	2.70%	

Aggregate Limit Test / Multiple Use Test

The Aggregate Limit	8.62%	
The Highly Compensated Group ADP+ACP 4.86% cannot exceed	8.62%	PASS

This program assumes (1) no forfeitures, (2) no employee after-tax contributions, and (3) no conversion of employer match and/or profit sharing contribution. This is not a 'Legal' test and should not be presented as such. Actual tests should only be done by a qualified tax or legal counsel. FlexSoft, Inc. and its employees assume no responsibility for any errors or inaccuracies contained in the program and/or peripheral documents.

