



## Owner-only businesses offer a unique opportunity for growth

In the highly competitive 401(k) retirement plan industry, there is still one segment of the market that remains largely untapped: individually owned businesses. While there are more than 16.2 million individually owned businesses throughout the country, less than 30% have a retirement plan<sup>1</sup>.

This gap is likely a carryover from days when the cost and effort of implementing an owner-only 401(k) plan were prohibitive factors. However, times have changed for the benefit of both owners and financial advisors alike. Today, individual 401(k) plans offer simplified program management, higher contribution limits, greater flexibility and expanded plan options.

These advantages—combined with rollover opportunities and the possibilities for account consolidation—make this an ideal vehicle for you to build long-term relationships with high net worth clients. Look to Ascensus' Individual(k)<sup>TM</sup> for a cost-effective, turnkey individual 401(k) solution designed to meet your clients' needs and your business objectives.

<sup>1</sup> Cerulli Associates: The Cerulli Report<sup>TM</sup> State of 401(k) Marketplace: Evolving Provider Models, October 2006.

*People Matter.  
Quality First.  
Integrity Always.<sup>SM</sup>*

### Individual(k) Benefits:

- Tax Advantages
- Higher Contributions
- Loan Provisions
- Roth Capabilities
- Low Cost
- Simplified Plan Administration

  
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# the Individual(k) advantage

Individual(k) provides business owners with the same advantages of larger 401(k) plans—without the extensive administrative responsibilities, complex discrimination tests and associated costs. And when compared with other small business retirement plans, Individual(k) is uniquely positioned to help clients save, protect and grow their assets.

<i>A Comparison of Small Business Retirement Plans<sup>2</sup></i>				
	<i>Individual(k)</i>	<i>SIMPLE-IRA</i>	<i>SEP-IRA</i>	<i>Profit Sharing</i>
<b>Eligible Participants</b>	Self-employed individual or business owner and spouse <sup>3</sup> .	Must include employees who are at least age 21, earning \$5,000+ in the current year and earned \$5,000+ during any two preceding years	Must include employees who are at least age 21, earning \$500+ in the current year and have worked for the business in 3 of the last 5 years	Must include employees who are at least age 21 with 1 year of service (2 years if immediate 100% vesting)
<b>Eligible Businesses</b>	Any non-governmental entity may establish	Any kind of business entity may establish	Any kind of business entity may establish	Any kind of business entity may establish
<b>Pretax Salary Deferrals</b>	Yes	Yes	Generally, no	No
<b>Roth After-Tax Salary Deferrals</b>	Yes	No	No	No
<b>Employee Contributions</b>	Up to \$15,500	Up to \$10,500	Generally, N/A	No
<b>Employer Contributions</b>	Up to 25% of compensation with a combined employer and employee maximum of \$46,000	A mandatory contribution of either (1) 100% match up to 3% of deferrals or (2) a 2% contribution to all eligible employees	Up to 25% of compensation with a maximum of \$46,000	Up to 25% compensation with a maximum of \$46,000
<b>Catch-up Contributions</b>	Up to \$5,000 if age 50+	Up to \$2,500 if age 50+	No	No
<b>Maximum Contributions</b>	Up to \$51,000, including catch-up	\$26,000	\$46,000	\$46,000
<b>Loans</b>	Yes	No	No	Yes
<b>Distributions</b>	Withdrawals before age 59½ may be subject to a 10% penalty (hardship withdrawals may be permitted)	Withdrawals before age 59½ may be subject to a 10% penalty (a 25% penalty if taken within the first 2 years)	Withdrawals before age 59½ may be subject to a 10% penalty	Withdrawals before age 59½ may be subject to a 10% penalty (hardship withdrawals may be permitted)
<b>Protection from Creditors<sup>4</sup></b>	Yes	No	No	Yes

<sup>2</sup> This chart contains general information, based on 2008 limitations.

<sup>3</sup> In general, the Individual(k) is for businesses without full-time employees. The plan may still be viable if employees are union workers, non-resident aliens, under age 21 or working fewer than 1000 hours per year.

<sup>4</sup> State and federal laws may give specific protection from creditors.

## *Sales Idea: Participants Can Save More...Faster*

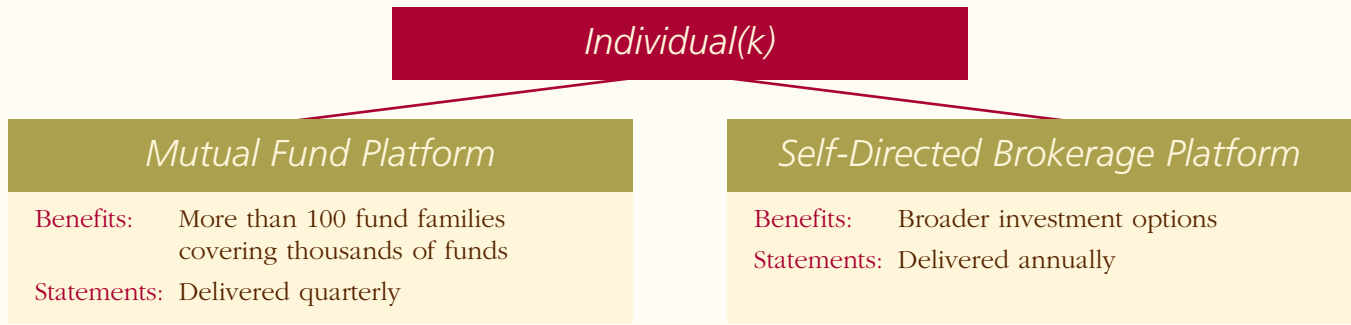
Next time you are talking to a prospect, make sure to point out this key advantage of an Individual(k) plan: The pro-rated amount a participant can put into an Individual(k) plan based on income is substantially greater than other types of plans. This difference can translate to significantly larger retirement savings over the years. Consider this example of a participant's estimated maximum contribution allowed per plan for 2008:

<b>Your Net Profit</b>	<b>Individual(k)</b>	<b>SIMPLE-IRA</b>	<b>SEP-IRA</b>	<b>Profit Sharing</b>
\$50,000	\$24,794	\$11,885	\$9,294	\$9,294
\$150,000	\$43,833	\$14,656	\$28,333	\$28,333
\$200,000	\$46,000	\$16,041	\$38,200	\$38,200

For illustration purposes only. Contact Ascensus for specific details.

# product features

From plan implementation through the life of the plan, Ascensus offers the resources and tools to simplify account management and ongoing plan maintenance. To support the preferences of you and your clients, Ascensus offers flexibility through two different solutions.



# financial advisor and client support

At the core of our service structure is a team approach. Each advisor has a dedicated team to provide regional external and internal support for everything from prospecting new clients through managing your book of business. For your clients, we use the same team-centric philosophy to provide a consultative environment designed to deliver the best possible retirement plan experience.

## For the Financial Advisor

- Dedicated sales support team
- Plan design and setup support
- Broad investment platform with more than 100 fund families covering thousands of funds
- Prospecting ideas/leads
- Flexibility to choose an Ascensus institutional partner or our SingleSource™ solution
- Financial advisor website

## For the Client

- |                                    |   |
|------------------------------------|---|
| Installation and Plan Setup        | <ul style="list-style-type: none"> <li>■ ERISA/plan document services</li> <li>■ Plan establishment kit with easy-to-follow instructions</li> </ul>         |
| Plan Services                      | <ul style="list-style-type: none"> <li>■ Contribution, loan and distribution processing</li> <li>■ Trust services</li> <li>■ Client Service Team</li> </ul> |
| Account Access (Daily Valued only) | <ul style="list-style-type: none"> <li>■ Dedicated website with account management tools</li> <li>■ Toll-free Interactive Voice Response System</li> </ul>  |
| Tax Form Preparation               | <ul style="list-style-type: none"> <li>■ Signature-ready IRS Form 5500-EZ</li> <li>■ Filing of IRS Form 1099-R</li> </ul>                                   |

## Fee Schedule

Installation and Plan Setup Fee	\$125 for Daily Valued/\$75 for Traditional Valued
Annual Fee	\$315 for the first participant account \$150 for each additional participant
Loan Fee	\$125 per loan
Distribution Fee	\$50 per distribution
Plan Amendment Fee	\$75 per amendment
Termination Fee	\$125 (Daily Valued only)

## Sales Idea: Prospecting Opportunities

You probably already know at least one person who is self-employed and would be a good candidate for the Individual(k). Check your network and consider reaching out to:

- Lawyers and doctors with their own practices
- Real estate agents
- Freelance writers or graphic designers
- Interior designers
- Consultants
- Plumbers
- Accountants
- Contractors
- Photographers
- Clergy

## *Sales Idea: Rollover Opportunities*

The ability to consolidate retirement accounts makes the Individual(k) a great vehicle for individuals who have left the traditional workforce and are now in business for themselves. Often, these are seasoned professionals who have accumulated large retirement assets over the years and are in need of a centralized retirement portfolio and focused investment strategy. By consolidating their accounts, you can build a broader relationship with your clients and benefit from having greater assets under management.

*The nature of your retirement business depends upon the path you take to get there. When you choose Ascensus, you can be assured that you and your clients will receive comprehensive support and sound retirement plan solutions. Our promise to you is top-notch service and the security that comes from working with a partner that always has your best interests in mind. To learn more, contact our Individual(k) team at **800-345-6363, option 1, or [retirementsolutions@ascensus.com](mailto:retirementsolutions@ascensus.com).***

## about Ascensus

With more than 30 years of industry experience, Ascensus provides high-quality solutions for every segment of the retirement marketplace. As the nation's largest independent administrator and recordkeeper for small- and mid-sized retirement plans, Ascensus services over 26,000 defined contribution plans and nearly 1.5 million employees, with more than \$33 billion in assets under administration. The company's programs are built upon a comprehensive investment platform and are tailored to support the needs of institutional retirement plan providers, financial advisors and their clients. Core offerings encompass every component of a sophisticated retirement infrastructure, including administration, recordkeeping, ERISA consulting, compliance and sales support, trust and custody services, training and documentation. For additional information, visit [www.ascensus.com](http://www.ascensus.com).

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