

Newkirk's

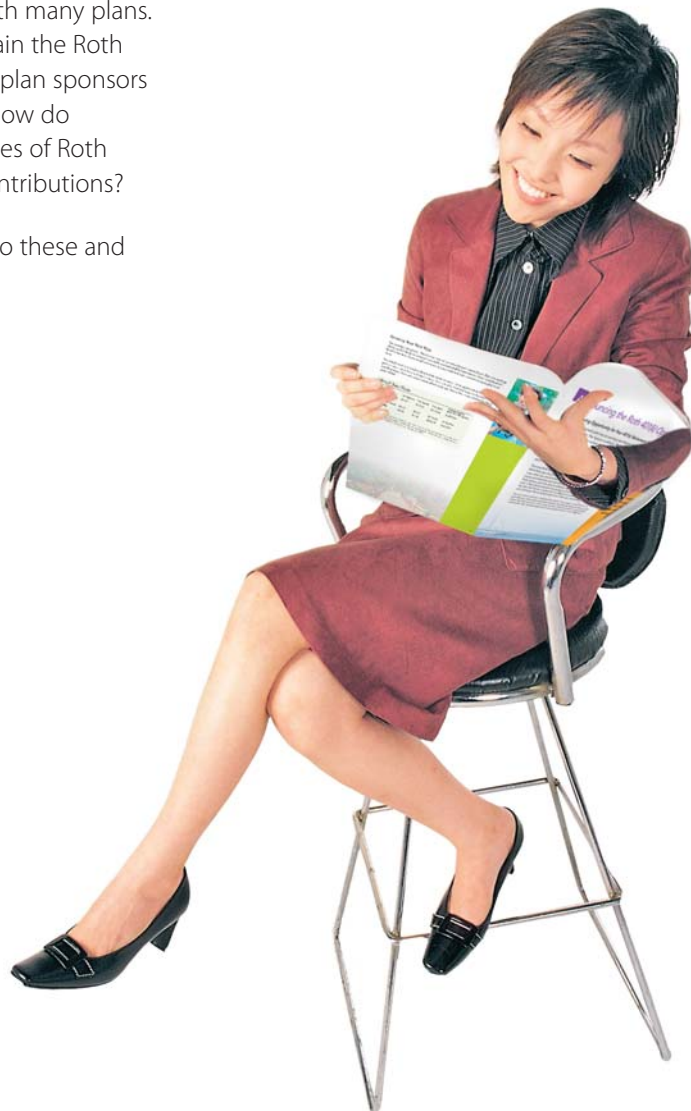
ROTH 401(k) EDUCATION

Fact Sheet

Description

The Roth 401(k) has become a popular option with many plans. Popular — and daunting. How do providers explain the Roth options to plan sponsors? How do providers and plan sponsors introduce the Roth option to plan participants? How do participants determine whether the tax advantages of Roth outweigh the advantages of traditional pretax contributions?

Newkirk's Roth 401(k) materials provide answers to these and other Roth implementation challenges.



Roth 401(k) Analyzer

The Roth 401(k) Analyzer is an Internet tool that allows plan participants to:

- Learn about the tax advantages of Roth.
- Compare the tax consequences of Roth v. traditional contributions, given the participants' current and anticipated tax situations.
- Perform gap analyses to determine likely required account balances to meet retirement income needs.

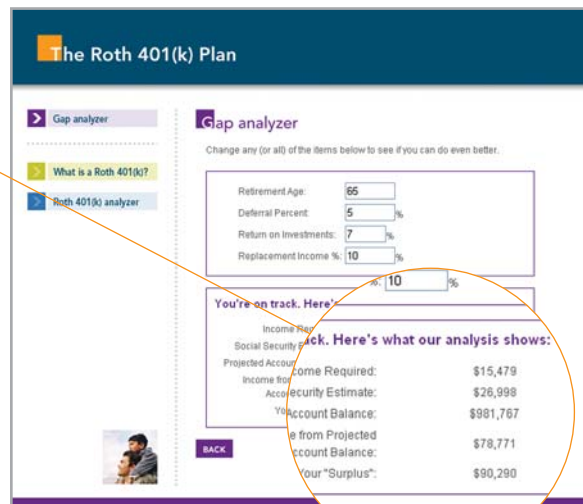
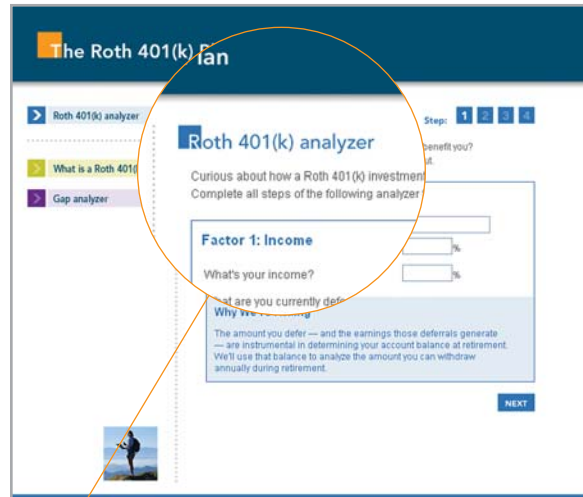
The Roth 401(k) Analyzer is accessed through your participant website and can be installed on your own servers or hosted at Newkirk.

Features

- Includes easy-to-understand Roth 401(k) education module.
- Participants can perform unlimited "what if" scenarios comparing Roth v. traditional contributions.
- Provides participants with a simple, step-by-step guided analysis as well as a detailed calculator for advanced users.
- Analyzer allows participants to view Roth v. traditional decision from two perspectives: (1) Keep my take-home pay the same; (2) Keep my contribution level the same.
- Gap analysis tool included — Allows participants to determine the account balances they may need upon retirement to secure a specified percentage of replacement income.

Benefits

- Provides participants (and plan sponsors) with the means to make informed decisions.
- Simple, effective, and affordable solution for defined contribution providers.
- Quickly and easily implemented, with a number of service options.



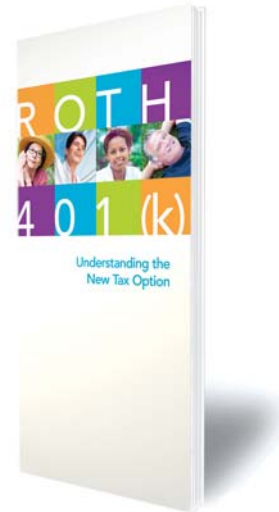
Roth 401(k) — Understanding the New Tax Option

Printed Booklets

This 3⁷/₈" x 8¹/₂" booklet explains Roth 401(k) to plan sponsors. In question and answer format, the booklet outlines how Roth 401(k) works, discusses its pros and cons, suggests its implications for plan sponsors, and addresses how sponsors should go about implementing the option.

Internet Version

Increase traffic to your website and generate inquiries by posting an online version of the *Roth 401(k) — Understanding the New Tax Option* to your website. Features the same text as our printed booklet. With your subscription to the online booklet, we provide you with a hyperlink that connects your website to our website (we provide everything you need) for a period of one year.



Roth 401(k) Participant Flyer

Printed Flyer

This flyer is an inexpensive, full-color, four-page comprehensive approach to educating participants about the new Roth 401(k) option.

Internet Version

Enhance your website by educating participants with the online version of the *Roth 401(k) Participant Flyer*. Features the same informative text as the printed version. With your subscription to the online flyer, we provide you with a hyperlink that connects your website to our website (we provide everything you need) for a period of one year.



Targeted Roth 401(k) Introduction Letter

Roth presents a planning opportunity, a chance to reconsider deferral rates as well as tax consequences. That's the message in Newkirk's participant-specific communication announcing the availability of the Roth option to plan participants.

This four-page full-color targeted communication explains the Roth option and compares the tax advantages of Roth v. traditional contribution types. It educates participants concerning their new option. But it also demonstrates — with personal illustrations based on the participant's own data — the impact a modest increase in deferral amounts (\$25 per week) can have on account balances upon retirement.

Features

- Fully personalized to participants. Uses participant's name, birthdate, and existing deferral amount and account balance (if available) to provide illustrations.
- Explains the differences in the taxation of Roth v. traditional contributions in easy-to-understand language.

Also Available

Roth 401(k) Paycheck Inserts and Posters.

- References available web tools for additional participant assistance.
- Encourages high-balance participants to seek personal financial advice (optional).
- Can be created entirely over the Internet using *NewkirkOne's* user interface — or can be created through datafeed from the provider's recordkeeping system.
- Plan level alternative available where participant information is limited (i.e., name and address only).

Benefits

- Announces the availability of the Roth option in a manner designed to minimize participant confusion by proactively answering questions.
- Encourages participants to rethink their retirement planning in general, with particular emphasis on the advantage of deferring at higher levels.
- Easily integrated with Newkirk's Roth 401(k) Analyzer.