

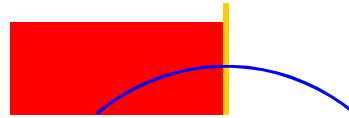
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www.benefitsystems.org

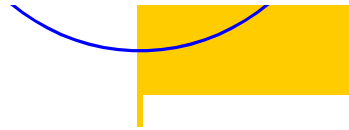
Benefit Systems, Inc.

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BSI One(k)



Benefit Systems, Inc.



Smooth Planning.
Smart Solutions.

Tel: (512) 458-3888

BSI One(k) Benefits

- **Valuable tax advantages:** Contributions are tax-deductible by your business and grow on a tax-deferred basis until withdrawn
- **Flexibility:** You decide each year how much to contribute from \$0 to maximum.
- **Not tied to investment vehicle:** BSI One(k) is not tied to any investment product. You can open an account with any investment firm or mutual fund company. If you later transfer your account to another investment firm, the plan goes with you.
- **Loan availability:** You can take loans from your account—tax-free and penalty free—up to 50% of your account balance (\$50,000 maximum). Repayment subject to IRS guidelines.
- **Consolidation:** You can roll previous retirement accounts (IRA, Keogh, SEP, 403(b), etc.) into your BSI One(k) account

Quick Answers

- **Who may establish?** Any business that employs only owners and their spouses. BSI can design a “full 401(k)” for businesses with other employees.
- **Must part-time employees be included?** Employees who work less than 1,000 hours per year can be excluded.
- **What is the deadline?** Business tax year-end.
- **What is the maximum contribution?** All contributions are discretionary each year. For 2002, the maximum is the sum of 1, 2, and 3 below:
 1. Employer contribution: up to 25% of compensation¹
 2. Salary deferral contribution: up to \$11,000
 3. Catch-up contribution for age 50+: up to \$1,000
 1 plus 2 cannot exceed \$40,000 or 100% of compensation.
- **What are the administrative requirements?** Annual IRS 5500 EZ is required once plan assets exceed \$100,000. (Signature-ready service included in annual fee)

¹ No more than \$200,000 of compensation can be taken into account. For unincorporated businesses, compensation is net profit minus one-half of self-employment tax minus employer contributions.

You're not too small for a 401(k)

You never thought it could work for your small business. Now, with the Economic Growth and Tax Reconciliation Relief Act of 2001, a new concept: "BSI One(k)". A 401(k) designed specifically for owner-only businesses. It features higher maximum contribution levels, loans, and the ability to consolidate your other retirement accounts - this plan is something completely different.

BSI One(k) is simple and inexpensive

Setup and administration for a one-person business is as easy and affordable as a Keogh account. You will need an approved plan document and, once account assets reach \$100,000, an annual IRS Form 5500 EZ is required.

The BSI One(k): \$250 Document set-up fee. Annual fee of \$200, which includes 5500 EZ filing when required. If spouse earns an income from the business, he/she can be added at no extra cost. Unrelated owner/partners can be added at \$50/year each.

The plan document is designed to be effective even if you later hire full time employees and convert to a full 401(k) plan.

Higher Contribution Levels = Greater Tax Savings

2002 MAXIMUM DEDUCTIBLE CONTRIBUTIONS FOR UNINCORPORATED BUSINESSES				
Self-Employment Income ¹	\$10,000	\$50,000	\$100,000	\$150,000
SEP / Keogh Profit Sharing	\$2,000	\$10,000	\$20,000	\$30,000
SIMPLE IRA				
• Under age 50	\$7,300	\$8,500	\$10,000	\$11,500
• Age 50+	\$7,800	\$9,000	\$10,500	\$12,000
BSI One (k)				
• Under age 50	\$10,000	\$21,000	\$31,000	\$40,000
• Age 50+	\$10,000	\$22,000	\$32,000	\$41,000

¹Net business profit minus one-half of self-employment tax.

2002 MAXIMUM DEDUCTIBLE CONTRIBUTIONS FOR INCORPORATED BUSINESSES				
W-2 Income	\$10,000	\$50,000	\$100,000	\$150,000
SEP / Keogh Profit Sharing	\$2,500	\$12,500	\$25,000	\$37,500
SIMPLE IRA				
• Under age 50	\$7,300	\$8,500	\$10,000	\$11,500
• Age 50+	\$7,800	\$9,000	\$10,500	\$12,000
BSI One(k)				
• Under age 50	\$10,000	\$23,500	\$36,000	\$40,000
• Age 50+	\$10,000	\$24,500	\$37,000	\$41,000

Sign Me Up!

Name (Business Owner) _____

Social Security Number _____

Plan Sponsor (Business Name) _____

Business Entity (Sole Prop, S Corp, Partnership, etc.) _____

Phone _____

FAX _____

Email Address _____

Date Business Commenced _____

Business Tax ID Number _____

Address _____

City, State ZIP _____

County _____

List Spouse or Owner/Partner(s) to be covered by plan: _____

Do you currently have part-time employees (less than 1,000 hours/year) that will be excluded from the plan? (circle) Yes No

Please attach check for \$250 and mail to Benefit Systems, Inc..

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