

# PAYROLL-DEDUCTED IRA ENROLLMENT FORM

## Employee Account Information:

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Date of Birth: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Home Phone: ( ) \_\_\_\_\_ Business Phone: ( ) \_\_\_\_\_

Payroll Company: \_\_\_\_\_ Worksite Employer: \_\_\_\_\_

IRA Type (check one):  Traditional IRA  Roth IRA  Coverdell Education Savings (limit \$2000/yr)  
(Every Two Weeks) (Twice a Month)

Please indicate your pay schedule:  Weekly  Bi-Weekly  Semi-Monthly  Monthly  
Min / Max Contribution per pay period: \$23.08 / \$76.92 \$46.15 / \$153.84 \$50.00 / \$166.66 \$100 / \$333.33

Your deduction per pay period: \$ \_\_\_\_\_ (minimum annual deduction \$1200 ~ maximum annual deduction \$4000)  
(See below for TOTAL DEDUCTION From Paycheck)

## INVESTMENT OPTIONS **Select only ONE Fund Company and ONE FUND per company.**

As on the Fund Company application you completed, please indicate the fund into which you will be directing your deductions to be invested:

<input checked="" type="checkbox"/> <b>Scudder</b> ___ D. High Return ___ US Gov't. Securities ___ Blue Chip ___ High Yield ___ Technology ___ Other _____	<input type="checkbox"/> <b>Fidelity</b> ___ Growth Opportunities ___ Equity Income ___ Technology ___ Emerging Mkt. Inc. ___ Financial Services ___ Other _____	<input type="checkbox"/> <b>Oppenheimer</b> ___ Main St. Growth & Inc. ___ Capital Income ___ High Yield ___ Quest Value ___ Other _____	<input type="checkbox"/> <b>American</b> ___ AMCAP . ___ Balanced ___ Growth Fund of America ___ New Perspective ___ Other _____
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## BENEFICIARY DESIGNATION

Primary Beneficiary: \_\_\_\_\_ Relationship: \_\_\_\_\_ DOB: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Soc. Sec. # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Address: \_\_\_\_\_

Primary Beneficiary: \_\_\_\_\_ Relationship: \_\_\_\_\_ DOB: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Soc. Sec. # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Address: \_\_\_\_\_

## SPOUSAL IRA (Complete this Section if you also want to fund an IRA for your spouse.)

Spouse's First Name: \_\_\_\_\_ Spouse's Last Name: \_\_\_\_\_

Spouse's Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ D/O/B: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Fund Company (check one):  Fidelity  Scudder  Oppenheimer  American

Fund Name (choose one): \_\_\_\_\_ IRA Type:  Traditional  Roth

Additional payroll deduction per pay period for spouse's IRA: \$ \_\_\_\_\_ (minimum \$100 per month per person - maximum annual deduction \$4000 per person)

**TOTAL DEDUCTION From Paycheck:** \$ \_\_\_\_\_ per pay period Begin Deductions\*: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

(Self and Spouse, if applicable)

**\*Please allow 30 days for processing.**

**IMPORTANT: This Enrollment Form MUST be signed on the reverse side and the original sent with the Fund Company application to Paula at Slavic.**

### FOR OFFICE USE ONLY

SIC Rep. No. \_\_\_\_\_

Account No. \_\_\_\_\_

SPOUSAL Acct No. \_\_\_\_\_

Fund No. \_\_\_\_\_

Fund No. \_\_\_\_\_

**OVER →**

## **CHANGES**

To [change the allocation of funds](#) for your contributions, you must contact the mutual fund company directly to set up the new fund and notify Slavic Investment Corporation in writing to request the change (allow 30 days).

To [reallocate money already invested](#) with the mutual fund company, you must call the mutual fund company directly.

To [change the deduction amount or stop your IRA contributions](#), you must directly contact **PEO** (payroll company).

The following **fees** may be charged to your account:

1. The fund company will charge a custodial fee per year as noted on the fund account application.
2. Slavic Integrated Administration (SIA) will charge your account a \$10 processing fee per calendar year. By signing this form you authorize Depository Services, Inc. (DSI) to deduct this fee from your first deferral. (This fee is not prorated.)
3. The funds offered are "C" share funds with no initial sales charge. However, there is a contingent deferred sales charge (CDSC), which declines over time. You will pay this sales charge or load only if you take your money out of the fund family within the designated time period. See your fund's prospectus for any exceptions.

A prospectus will be sent to you by the fund company detailing the important information concerning your fund selections. You will have sole discretion over investing your account and Slavic Investment Corporation will be the broker of record utilizing DSI as a conduit for contributions transferred from your paycheck to the funds.

Your IRA contributions will be taxed as they are deducted. You may receive your tax deduction for your regular IRA contributions when you file your 1040 tax return. Tax deductions are subject to income limits if you or your spouse, are participant's in a retirement plan. See your CPA to determine whether you are eligible for a deduction, and therefore, a contribution. If you determine that you are eligible, you may contribute up to \$4,000 to Traditional and Roth IRAs. You may also contribute \$4,000 to a spousal IRA. Employees age 50 and older can take advantage of the IRA Catch Up provision and can contribute an additional \$1,000, bringing their total annual contribution limit to \$5,000.

You can now also invest in a Coverdell Education Savings Plan (formerly called Education IRA), which allows parents, grandparents, relatives and friends make nondeductible contributions up to \$2,000 annually for a child under the age of 18. Contributions are not permitted after the child's 18<sup>th</sup> birthday. The savings must be used by the time the beneficiary is age 30, or may then be rolled over to an Education IRA for another eligible beneficiary in the same family. Withdrawals from a Coverdell Education Savings Plan used to pay for qualified elementary, secondary and higher education expenses such as room and board, books and tuition and are generally tax-free. Distributions of income from the account not used for qualified educational expenses are included as income for tax purposes and are subject to the 10% penalty tax.

Slavic Integrated Administration, Slavic Investment Corporation, and **PEO** take no responsibility in determining the taxability of your contribution, nor whether you have exceeded IRA limits. These companies are merely providing you a mechanism to transfer your money to your IRA without recommending any particular investment, thereby facilitating your retirement funding.

I hereby authorize my IRA deduction(s).

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

PLEASE KEEP A PHOTOCOPY OF THIS ENROLLMENT FORM FOR YOUR RECORDS.



**SLAVIC INVESTMENT CORPORATION**  
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WWW.SLAVIC.NET  
MEMBER NASD & SIPC

## Your Payroll-Deducted IRA Instruction Sheet

It's always been smart to save money with an Individual Retirement Account (IRA), and now it makes even more sense! Your Professional Employer Organization and SMF are ready to open your "Payroll-Deducted" Traditional or Roth IRA. By simply completing the forms enclosed: an application for your selected Mutual Fund Family and a Payroll-Deducted IRA Enrollment Form, deductions from your paycheck can start in a matter of weeks!

Each employee may contribute a minimum of \$1,200 per year (\$100 per month minimum per person) up to the maximum annual limit of \$4,000 (\$333.33 per month). If you are married, you may have additional deductions taken from your paycheck for a spousal IRA (minimum of \$1,200 and maximum \$4,000 per year). In addition, for employee's age 50 and older, they can take advantage of the IRA Catch Up Provision which will allow them to contribute an additional \$1,000 for a total contribution of \$5,000 for year 2005 and increases to \$1,000 in year 2006. Just simply complete an additional fund application. Contact SMF at the number shown below and we will immediately send the form to you, or you may download the application from our web site: [www.slavic.net](http://www.slavic.net).

You can now also invest in an Education IRA, which allows parents, grandparents, relatives and friends make nondeductible contributions up to \$2,000 annually for a child under the age of 18. Contributions are not permitted after the child's 18<sup>th</sup> birthday. The IRA savings must be used by the time the beneficiary is age 30, or may then be rolled over to an Education IRA for another eligible beneficiary in the same family. Withdrawals from an Education IRA used to pay for qualified elementary, secondary and higher education expenses such as room and board, books and tuition and are generally tax-free. Distributions of income from the account not used for qualified educational expenses are included as income for tax purposes and are subject to the 10% penalty tax.

Each employee can choose the Traditional or Roth. In addition, they can also elect an Education IRA for their contributions. All payroll deductions are AFTER TAX. The amount deducted from your paycheck may be a tax-deductible contribution based on a) whether you or your spouse are contributing to a retirement plan or b) the total combined earnings filed on your income tax return. The **earnings** from the traditional IRA grow tax-deferred. The Roth and Education IRAs are also after-tax contributions. These contributions are not tax deductible, but grow tax-free if certain conditions are met. The qualifications for both the Traditional and Roth IRA's are explained in the enclosed materials.

To have your deductions begin, you need to:

- **Complete and sign the Payroll-Deducted IRA Enrollment Form.** Once this form is received by us, we will then send you the appropriate IRA application.
- **Complete and sign the IRA Application.** Make sure you complete all highlighted sections of the application, including whether you are selecting a Traditional or Roth and/or Education IRA and the mutual fund you choose to have your contributions invested in. The fund performance history is also included to assist in making your selection. Once your IRA application is received back by us, we will forward it to the fund company. Approximately five business days later we will receive your account number and can then send your Enrollment Form to PEO so that they can begin deducting your contributions.

The only cost to you, other than the standard custodial fee, (See fund prospectus.) is **\$10 per year** to process and maintain your account through payroll. This fee is deducted from your first contribution and yearly thereafter in the anniversary month of your first contribution.

We are pleased to provide this service to you as an employee of your Professional Employer Organization. Please contact our Customer Service Department if you have any questions. We are here to serve you and your financial needs.

## ROTH IRA

**Eligibility:** Single filers: MAGI < \$110,000  
Joint filers: MAGI < \$160,000

**Contribution Tax Limit Year 2005 through 2007:**

Lesser of \$4,000 or 100% of earned income.  
Contributions are non-deductible  
Participants age 50 and older may contribute an additional \$1,000 beginning year 2006.

**Contribution Tax Limit Year 2008:**

Contribution \$5,000.  
Catch up \$1,000

**Suitable For:** Clients that do not qualify for IRA tax-deduction  
Clients that expect to be in a higher tax bracket at retirement  
Non-employed spouses who file a joint return

**Features:** Tax-free treatment on qualified withdrawals  
Contributions permitted after age 70.5  
No required minimum distributions at age 70.5

### ADVANTAGES:

- *Any earnings growth **tax-free** provided certain requirements are met.*
- *Catch up provisions: Stating in year 2002, investors who are age 50 or more can make “catch up” contributions to accelerate the accumulation of assets in their IRA’s.*
  - *Year 2006 - catch up contribution of \$1,000 in addition to the \$4,000 contribution.*
  - *Year 2007 - catch up contribution of \$1,000 in addition to the \$4,000 contribution.*
  - *Year 2008 – contribution increases to \$5,000. Catch up contribution of \$1,000 to \$6,000.*
- *New tax legislation set new contribution limits as follows:*
  - *Year 2005 to 2007 - \$4,000 annual contribution*
  - *Year 2008 - \$5,000 annual contribution*
- *No minimum required distributions.*
- *Qualified distributions are **tax-free** and penalty-free upon completion of the following:*
  - *You attain age 59 ½.*
  - *Completion of the five-year holding period.*
  - *Qualified first-time home purchase expenses.*
  - *Death or disability*

*This is a good supplementary contribution vehicle for highly compensated employees who have reached their contribution limits in the 401(k) plan.*

## TRADITIONAL IRA

### DEDUCTIBLE IRA

**Eligibility:** Must have earned income  
Under age 70.5  
If enrolled in an employer-sponsored retirement plan, you must be under certain income thresholds to deduct your contribution.

**Deductibility Phase Out:**

Married Filing Jointly	\$70,000/80,000
Single/Head of Household	\$50,000/60,000

**Contribution Tax Limit Year 2005 through 2007:**

Lesser of \$4,000 or 100% of earned income.  
Participants age 50 and older may contribute an additional \$1,000.  
Catch up increases to \$1,000 beginning 2006.

**Suitable For:** Clients that need tax-deduction  
Clients that expect to be in a lower tax bracket at retirement  
Non-employed spouses who file a joint return

**Features:** Contributions may be tax-deductible  
Earnings accumulate on tax-deferred basis

### NON-DEDUCTIBLE IRA

*Eligibility: Must have earned income*  
Under age 70.5

**Contribution Limit Tax Year 2005 through 2007:**

Lesser of \$4,000 or 100% of earned income  
Contributions are non-deductible  
Should file IRS Form 8606 in year of contribution to prevent repaying taxes on principal at time of withdrawal  
Participants age 50 and older may contribute an additional \$1,000 beginning 2006.

**Suitable For:** Clients that expect to be in a lower tax bracket at retirement  
Clients who are ineligible for Roth IRA contributions

### ADVANTAGES:

- *May reduce current taxable income.*
- *Earnings grow tax deferred.*
- *Penalty-free early distributions prior to age 59 ½ for certain purposes.*
  - *First-time home purchase expenses*
  - *Qualified higher education expenses*
  - *Substantially equal periodic payments*
  - *Certain medical expenses in excess of 7.5% AGI*
  - *Certain unemployed expenses, Death or Disability*
- *Catch up provisions: Stating in year 2002, investors who are age 50 or more can make “catch up” contributions to accelerate the accumulation of assets in their IRA’s.*
  - *Year 2006 - catch up contribution of \$1,000 in addition to the \$4,000 contribution.*
  - *Year 2007 - catch up contribution of 1,000 in addition to the \$4,000 contribution.*
  - *Amounts are indexed to inflation (in \$500 increments) beginning in 2007.*
- *New tax legislation set new contribution limits as follows:*
  - *Year 2005 to 2007 - \$4,000 annual contribution*
  - *Year 2008 - \$5,000 annual contribution.*

## COVERDELL EDUCATION IRA

**Eligibility:** Single filers: MAGI Phase-out between \$ 95,000 - \$110,00  
Joint filers: MAGI Phase-out between \$190,000 - \$220,00

**Contribution Limit Tax Year 2005:**  
\$2,000 and child must be under age 18

**Suitable For:** Parents seeking tax-free growth of savings for children's educational needs

**Features:** Tax-deferred growth  
Tax-free distributions for qualified, public or private elementary school, secondary school, or college expenses

### ADVANTAGES:

- *Increased annual contribution limit is now \$2,000*
- *Qualified education expenses may be paid tax-free expanded to include elementary and secondary school expenses.*
- *Allows parents, grandparents, relatives and friends to make nondeductible contributions of up to \$2,000 annually for a child under age 18. Once child is 18, contributions must cease.*
- *IRA savings must be used by the time the beneficiary is age 30, or it may be rolled over to an Education IRA for another eligible beneficiary in the same family.*
- *Withdrawals from an Education IRA used to pay for qualified elementary, secondary and higher education expenses are generally tax-free.*
- *Distributions of income from the account not used for elementary, secondary or higher education expenses are included as income for tax purposes and are subject to the 10% penalty tax.*

### **Who Is Eligible to Contribute?**

- *Single with earned income below \$95,000*
- *Married couples filing jointly earning less than \$190,000 are eligible to make a full contribution.*
- *Partial contributions can be made to an Education IRA for singles with AGI between \$95,000 and \$110,000 and joint filers with AGI between \$190,000 and \$200,000.*