

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: **ALTRES** Worksite Employer: _____

IRA Type (check one): Traditional IRA Roth IRA Coverdell Education Savings (limit \$2000/yr)

IRA TYPE (check one) TRADITIONAL IRA ROTH IRA EDUCATION IRA

PAYROLL FREQUENCY: (Each week) WEEKLY (Every 2 weeks) BI-WEEKLY (Twice a month) SEMI-MONTHLY (One a month) MONTHLY
 DEDUCTION % (min 3%) _____ % _____ % _____ % _____ %

Your deduction percentage per pay period: _____% (minimum 3% deduction). 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"/> Scudder _____ D. High Return _____ US Gov't. Securities _____ Blue Chip _____ High Yield _____ Technology _____ Other _____	<input checked="" type="checkbox"/> Fidelity _____ Growth Opportunities _____ Equity Income _____ Technology _____ Emerging Mkt. Inc. _____ Financial Services _____ Other _____	<input checked="" type="checkbox"/> Oppenheimer _____ Main St. Growth & Inc. _____ Capital Income _____ High Yield _____ Quest Value _____ Other _____	<input checked="" type="checkbox"/> American _____ 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 \$5000 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 and dated on the reverse side and the original sent back to Paula @ 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 **ALTRES** (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.

Fidelity	5% load declining over six years.
Scudder	4% load declining over six years.
Oppenheimer	5% load declining over six years.
American	4% loan declining over six years.

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 \$5,000 to Traditional and Roth IRAs. You may also contribute \$5,000 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 \$6,000.

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 18th 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 **ALTRES** 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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PHONE: (561) 241-9244 (800) 356-3009 ■ FAX: (561) 241-1070 ■ WEB SITE:
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 \$5,000 (\$416.66 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 \$5,000 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 \$6,000 for year 2008. 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.

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 18th 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 we receive this form, 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 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 2008 – contribution increases to \$5,000. Catch up contribution of \$1,000 to \$6,000.*
- *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.

Tax Filing Status	Fully Deductible	Partially Deductible	Not Eligible
Single	\$52,000 or less	\$52,001 - \$61,999	\$62,000 or more
Joint (*IRA owner is active plan participant)	\$83,000 or less	\$83,001 - \$102,999	\$103,000 or more
Joint (*IRA owner is active plan participant)	\$156,000 or less	\$156,001 - 165,999	\$166,000 or more

*IRA owners who are married and filing separately can make partially deductible contributions to a traditional IRA if their MAGI is between \$0 and \$10,000.

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 2007 and 2008:

Year	Annual Contribution	Catch Up
2008	\$5,000	\$1,000

After 2008, the annual contribution limits will be adjusted for inflation in \$500 increments
When the inflation factor for the year or years since the last increase is enough to reach \$500.

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 1/2 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*
 - *Year 2008 - \$5,000 annual contribution with \$1,000 catch up.*

The Coverdell ESA

By [Robert Brokamp](#) (TMF Bro)

Our friend the Education IRA has been given a new moniker: the Coverdell Education Savings Accounts. This was done in memory of the late Sen. Paul Coverdell (R-GA) -- and someone realized that the Education IRA had nothing to do with retirement, so why call it an IRA? The Coverdell ESA allows for a maximum annual contribution of \$2,000 per student. Just open an account with a bank, brokerage, or mutual fund company, send in the contribution, and choose your investments. The earnings in the account grow tax-free as long as distributions are used for eligible expenses, which are not limited to college costs. The funds in a Coverdell can also be used to cover costs associated with attending elementary or secondary school, be it public, private, or religious. These costs can include uniforms, computers, and transportation. (Sorry, juice boxes and horse camp are not eligible expenses.)

A "responsible person" controls the account until the beneficiary reaches "the age of majority" (age 18 in most states, even if your daughter is still prohibited from dating). The person in control of the account chooses the investments, which can be stocks, bonds, mutual funds, or cash equivalents.

Any individual may contribute a maximum of \$2,000 a year to a Coverdell ESA for the benefit of any person under age 18. But the contribution limit is phased out for contributors with a modified adjusted gross income between \$95,000 and \$110,000 for single persons and between \$190,000 and \$220,000 for joint filers. (The phase-out is ratable, i.e., if you're single and your income is halfway between \$95,000 and \$110,000, then you can contribute \$1,000 -- half of the maximum.)

But if you exceed those income limits, don't worry. Just give the money to the kid and let him open the Coverdell ESA himself. For example, let's say Jocelyn, a single person, wants to establish a Coverdell ESA for her favorite little guy, Spanky. But Jocelyn's AGI is \$130,000. Her maximum contribution to little Spanky's Coverdell ESA would be ZERO, because of the income limitation rules. But there is no reason that Jocelyn can't make a \$2,000 gift to Spanky, who can then open his own Coverdell ESA with \$2,000, since he's well under the income limitations (assuming his lemonade stand doesn't rake in more than \$95,000 a year).

You have until the due date of your tax return (not including extensions) to make a contribution and still have it apply to the previous year.

Funds must be used by the time the beneficiary turns 30 years old. However, the account can be transferred to a relative (including cousins, step-relatives, and in-laws). If funds are used for a nonqualified expense, earnings will be assessed a 10% penalty and they'll count as ordinary income to the beneficiary.

See the College Savings Plans Comparison Chart for more nitty-gritty.

College Savings Plans Comparison Chart

	Coverdell ESA	529: Prepaid Tuition	529: Savings Plan
Highlights	An investment account available to contributors who earn between \$95,000 and \$110,000 if single, or between \$190,000 and \$220,000 if married and filing jointly.	Contributions today are guaranteed to cover tuition costs in the future.	A state-sponsored investment account for the benefit of anyone -- your child, your cousin, your neighbor, yourself
Offered by...	Brokerages, mutual fund companies, banks	States	States (usually with help from a financial services companies)
Contribution limit	\$2,000 per student per year	Depends on plan and age of student	Depends on plan -- varies from \$100,000 to \$305,000
Tax treatment of withdrawals	Tax-free if used for qualified expenses	Tax-free if used for qualified expenses	Tax-free if used for qualified expenses until 2010 (distributions will count as income to the student in 2011 and beyond unless Congress extends the current law)
Qualified expenses	Tuition, room, board, fees, supplies, and special needs related to the attendance of a qualified elementary, secondary, or post-secondary institution	Tuition at a college within the plan (some plans will also cover room and board)	Tuition, fees, room, and board at qualified higher-education institutions
Tax-deductibility	None	Some states allow contributions to be partially or completely deductible.	Some states allow contributions to be partially or completely deductible.
Investment flexibility	Assets can be invested in stocks, bonds, mutual funds, and cash equivalents. Investments can be bought and sold as often as desired.	Plan administrators invest all assets.	Assets are professionally managed. Depending on the plan, participants can choose from two to almost 30 mutual fund-type investments. Investment choice may be changed once every 12 months.
Ability to transfer account	Account may be transferred to other brokerage or mutual fund, or to a 529 plan, subject to fees and penalties.	Depends on plan	May transfer to another 529 plan once every 12 months
Interaction with Hope and Lifetime Learning Credits	Credits can be claimed in the same year as tax-free withdrawal provided that the distribution is not used for the same expenses for which a credit is claimed.	Credits can be claimed in the same year as tax-free withdrawal provided that the distribution is not used for the same expenses for which a credit is claimed.	Credits can be claimed in the same year as tax-free withdrawal provided that the distribution is not used for the same expenses for which a credit is claimed.
Effect on financial aid	Considered to be an asset of the student, which means a large portion of the assets will be considered in the financial aid calculation	Considered to be the student's resource and thus reduces financial aid dollar-for-dollar	Assets are considered to be property of the account owner, which -- unless the owner is also the beneficiary -- means only a small portion of the assets will be considered in the financial aid calculation
Control of the account	In most states, account assets become property of the student at age 18.	In most states, control of account will always remain with contributor.	In most states, control of account will always remain with contributor.
Must use funds by...	Age 30	Varies by plan	Varies by plan
Assignability to other relatives	Immediate family, including cousins, step-relatives, and in-laws	Immediate family, including cousins, step-relatives, and in-laws	Immediate family, including cousins, step-relatives, and in-laws
Penalty for non-qualified withdrawals	Earnings are taxed as ordinary income to contributor, plus a 10% penalty	Earnings are taxed as ordinary income to account owner, plus a 10% penalty	Earnings are taxed as ordinary income to account owner, plus a 10% penalty
Contribution deadline	Tax-filing deadline for the year of the contribution	Depends on the plan	Depends on the plan
	Coverdell ESA	529: Prepaid Tuition	529: Savings Plan

Education Savings Accounts

With an education savings account (ESA), you can invest for a child's education at any level. Although your contributions aren't tax-deductible, your earnings grow tax-free and withdrawals are free from federal income taxes when used for qualified education expenses.

Who should invest?

- Investors looking to save for a child's education at any level – primary, high school, college, or beyond. Any person under the age of 18 when the account is opened can be a beneficiary.
- Anyone looking for withdrawals that are free from federal income taxes when used for qualified education expenses.
- Investors who want to contribute no more than \$2,000 a year.
- Investors seeking minimal impact on a student's federal financial aid.
- Anyone looking for the flexibility to move education savings to another ESA or 529 college savings plan of an eligible family member.

Who can contribute and how much?

- Any parent or guardian can open an ESA on behalf of a child and contribute to it. Friends, relatives – even children – can contribute to the account.
- Investors who hold other types of college savings investments, such as 529 plans and UGMA/UTMA accounts.
- Contribution may be made to more than one ESA benefiting a child in any given year, but the total contributions to all of that child's ESA may not exceed \$2,000 a year.
- The amount a person can contribute gradually declines based on modified adjust gross income levels between \$95,000 and \$110,000 if single, or between \$190,000 and \$220,000 if married and filing jointly.
- Contributions may not be made after the beneficiary reaches age 18, except for special needs beneficiaries.

Taking a distribution:

- Withdraw your entire investment or a portion of your investment to pay for qualified education expenses.
- Withdrawals are free from federal income taxes (and sometimes state taxes) when used for qualified education expenses.
- You will pay ordinary tax and a 10% penalty on earnings if you withdraw assets for nonqualified expenses or after the beneficiary reaches age 30.
- Assets must be withdrawn or transferred to another beneficiary before the original beneficiary reaches age 30.