

## Paycheck Comparison - Samuel Sample

Since 403(b) plan contributions are not subject to current income taxes, for most participants, the more income you defer toward your retirement security, the lower your tax bill is. This means that the effect on your takehome pay is much less than the amount of income you contribute. Here's how it works:

**Current**

<i>Your Employer</i>	<u>Payday, 2002</u>
Pay to the Order of: <b>Samuel Sample</b>	<b>\$2,470.00</b>
<i>Great Big Bank &amp; Trust Co.</i>	<i>J. Q. Signature</i>
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	<b>Current Paycheck</b>	<b>New Paycheck</b>	<b>Difference</b>
<b>Gross pay</b>	\$ 3,500.00	\$ 3,500.00	\$ 0.00
<b>- 403(b) plan contribution</b>	200.00	400.00	200.00
<b>- Income and payroll taxes</b>	755.00	691.80	-63.20
<b>- Other payroll deductions</b>	75.00	75.00	0.00
<b>= Takehome pay</b>	<b>2,470.00</b>	<b>2,333.20</b>	<b>-136.80</b>

**New**

<i>Your Employer</i>	<u>Payday, 2002</u>
Pay to the Order of: <b>Samuel Sample</b>	<b>\$2,333.20</b>
<i>Great Big Bank &amp; Trust Co.</i>	<i>J. Q. Signature</i>
[: OIIO38881OO4[: 329X1   2YT4[:	

This calculation estimates the impact on your after-tax income when you change your 403(b) contribution. The calculation assumes that you have a marginal Federal Income Tax rate of 28.00% and that 403(b) contributions are deductible under any state and/or local income tax laws that apply to you (and the combined total rate for such taxes is 5.00%). Depending upon the details of your compensation structure and your tax return, the actual tax effect may vary somewhat. In addition, your actual paycheck may not exactly reflect the true after-tax impact of changes in your 403(b) plan contributions, unless you change your income tax withholding amount. Please note also that the calculations on this page do not attempt to verify, and in no way warrant that, you may legally contribute to your 403(b) plan the amount indicated here. This report should be accompanied by a separate analysis of your maximum permissible 403(b) contribution.

This report is for illustration purposes only. For complete details regarding legal or tax considerations of any information discussed or presented in this report, please consult your tax advisor.