2001 Retirement Plans Contribution Report for Chuck Obermann

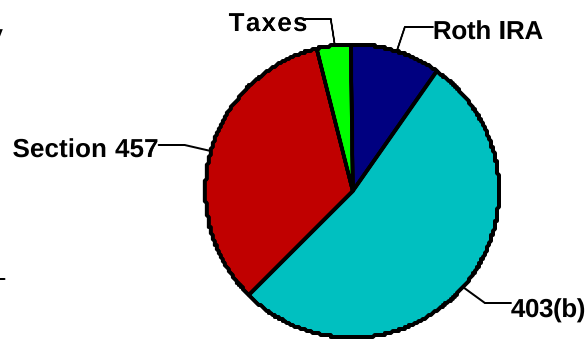
Report produced May 21, 2002

Suggested Allocation of Your Retirement Plan Contributions:

Based on the information provided, you are eligible to contribute to a 403(b) Plan, a Section 457 Plan, and a Roth IRA Plan in 2001. You are not, however, eligible to contribute to a traditional IRA Plan.

Your situation suggests the following strategy for your contributions:

Roth IRA Plan	$ 2,000
403(b) Plan	10,500
Section 457 Plan	6,741
Estimated tax on Roth IRA contribs.	759
Total	$ 20,000



Analysis of suggested allocation:

Roth IRA Plan

+ Withdrawals permitted before age 59½ without taxes or penalties, provided that you have been funding the plan for at least five years at the time of withdrawal
+ Allows you to continue your tax shelter as long as live, since minimum distributions are not required before death
+ Because of after-tax contributions, more advantageous if you think your tax rates will be higher when you retire

403(b) Plan

+ Permits access to your funds via loans, which allow you to resume tax sheltering your funds after repayment
+ Plan funds can be used to buy back service credit in state retirement systems
+ Requires professional money management; you simply choose the fund you prefer

– Requires you to take distributions after age 70½ whether you need the money or not
– Because of pre-tax contributions, less advantageous if you think your tax rates will be higher when you retire

Section 457 Plan

+ Plan funds can be used to buy back service credit in state retirement systems
+ Best for people who do not want to have to make choices about where their funds are invested

– No good way to get funds out of the plan before retirement
– Requires you to take distributions after age 70½ whether you need the money or not
– Because of pre-tax contributions, less advantageous if you think your tax rates will be higher when you retire

Other options:

In general, the more you can save for retirement (without impairing your current financial well-being), the better. If you find that you have additional funds available, you should revise this analysis to see if you are eligible to add to the plans discussed here. In addition, you may consider other alternatives. For example, your spouse is currently eligible to contribute to a Roth IRA, based on the information provided here. Your financial representative can also discuss with you the advantages of taxable IRAs, non-qualified annuities, and other tax-advantaged plans and products.

Notes:

IMPORTANT: Contribution limits for 403(b) and Section 457 plans have been estimated but not determined. Before contributing, it is important to verify your current limits.

The calculations and suggestions presented in this report reflect our understanding of the currently applicable tax laws. They are not intended as tax advice, and should not be relied upon in preparing your personal tax return. They use a simplified analysis that may not reflect all factors pertinent to your tax and financial situation. Before making specific decisions based on this report, you may wish to request more detailed analysis of your financial situation. For complete details regarding legal or tax considerations of any information discussed or presented in this report, please consult your tax advisor.

The data on which this report is based include the following: your date of birth (8/8/1952), tax filing status (Married Filing Jointly), funds available for saving on a pre-tax basis ($20,000.00), gross compensation from your current employer ($50,000.00), and anticipated Adjusted Gross Income on your tax return ($75,000.00). Your employer offers a 403(b) plan, and a Section 457 plan, with an employer match of salary deferrals up to 5% of compensation (either to the 457 or to a 401(a) plan). Your spouse's information: date of birth (3/3/1953), participation in an employer-sponsored plan (No), and gross compensation ($25,000.00). In addition, you indicated agreement or disagreement with the following statements, as indicated: (1) the possibility of having access to my funds before retirement is important to me (Strongly Agree); (2) I prefer to consolidate my retirement savings into one account (Somewhat Agree); (3) I might like to use my savings some day to buy extra service credit from the state retirement plan (Somewhat Agree); (4) I expect my income tax rate to be lower when I am retired than it is today (Somewhat Disagree); (5) I expect to be very well off in retirement, with a lot more income and assets than I have now (Somewhat Agree); (6) I believe in relying on professional money managers instead of doing my own investment (Strongly Agree).