

Qualified Retirement Plans (IRA, Keogh, 401(k), 403(b), etc.)

These qualified retirement plans are asset accumulation programs which have been granted special tax consideration. All such plans have the following characteristics:

DEDUCTIBLE CONTRIBUTIONS: Although each of the plans has its own unique contribution limitation, the funding costs for all plans are deductible from current taxable income.

TAX DEFERRED GROWTH: As values grow, earnings are not subject to current income tax.

TAXATION AT DISTRIBUTION: Income tax is assessed on plan distributions.

FORM OF DISTRIBUTION: There are three:

1. lump sum;
2. annuity payments from an annuity contract;
3. withdrawal.

(Illustrations that accompany this report are based on a withdrawal form of distribution.)

DISTRIBUTION REQUIREMENTS: Usually, distributions should start between age 59½ and age 71. Any amounts distributed prior to age 59½ are considered to be "premature distributions" and are generally subject to an additional 10.00% penalty tax. If distributions commence later than the year a participant attains age 70½, a 50% penalty tax is assessed on the minimum amount that should have been distributed.

Certain participants who remain employed may defer the date withdrawals must begin until April 1 of the year after they have retired. Those in company plans who own at least 5% of the business cannot take advantage of this deferral -- nor can holders of IRAs.

MINIMUM DISTRIBUTION REQUIREMENTS: Plan values divided by certain life expectancy factors establishes a minimum which must be distributed each calendar year. The life expectancy factor is based on either the age of the participant or the joint ages of the participant and a beneficiary. The participant may, at his/her option, elect to take more than the minimum at any time. There is no limit on the maximum amount that can be taken.

The minimum distribution is calculated using the Uniform Lifetime table. An exception is allowed in cases where the beneficiary is the spouse and the spouse is more than ten years younger than the client. In these cases, the client can elect to use the actual joint table, which will result in even lower minimum distributions than the Uniform Lifetime table.

If the funds are available, and a participant is willing to endure the many rules, regulations and potential penalties, a qualified retirement plan can be virtually irresistible as a result of the dynamic combination of funding deductions and tax sheltered asset growth. The accompanying material should be helpful to you in analyzing your use of such a plan.

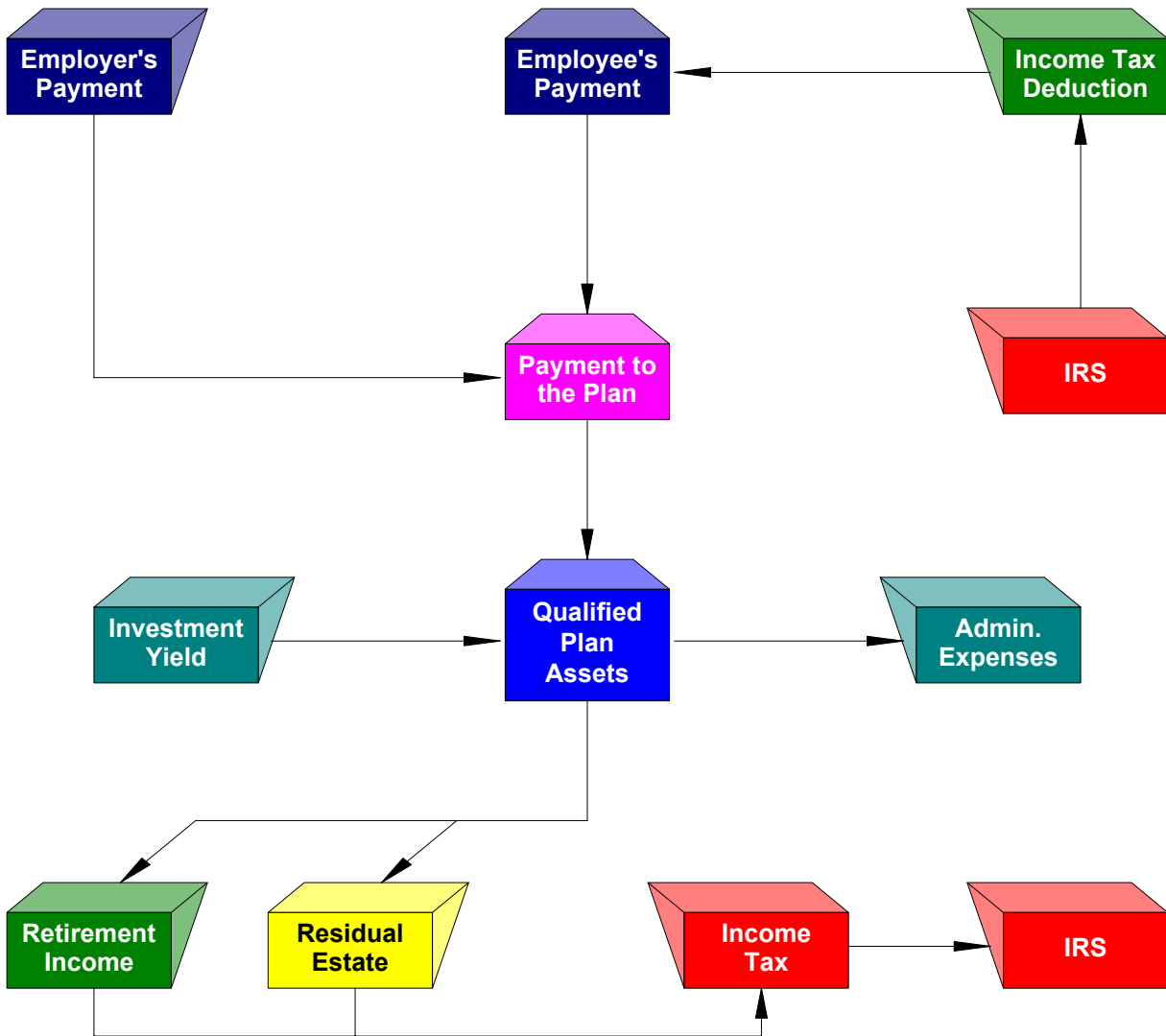
Qualified Retirement Plan

Date: [Current date appears here]

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For: George Baker, MD

Flow Chart Analysis



Pre-Retirement Accumulation Analysis of Qualified Plan Assets

Accumulation Page: 1
Date: [Current date appears here]

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For: George Baker, MD

		Initial Plan Assets 0	Qualified Plan Yield 10.00%				
Year	Age	(1) Beginning of Year Balance in Plan Assets	(2) Annual Employee Contribution	(3) Annual Matching Contribution by Employer	(4) Total Annual Contribution (2) + (3)	(5) Beginning of Year Total Plan Assets	(6) Year End Plan Assets
1	45	0	11,000	2,750	13,750	13,750	14,974
2	46	14,974	11,845	2,875	14,720	29,694	32,336
3	47	32,336	12,200	2,875	15,075	47,411	51,631
4	48	51,631	13,113	3,000	16,113	67,744	73,773
5	49	73,773	14,069	3,125	17,194	90,967	99,063
6	50	99,063	15,071	3,250	18,321	117,384	127,832
7	51	127,832	15,523	3,250	18,773	146,605	159,652
8	52	159,652	16,603	3,375	19,978	179,630	195,618
9	53	195,618	17,735	3,500	21,235	216,853	236,152
10	54	236,152	18,919	3,625	22,544	258,696	281,720
11	55	281,720	20,159	3,750	23,909	305,629	332,830
12	56	332,830	21,456	3,875	25,331	358,161	390,038
13	57	390,038	22,812	4,000	26,812	416,850	453,949
14	58	453,949	24,231	4,125	28,356	482,305	525,231
15	59	525,231	25,714	4,250	29,964	555,195	604,607
16	60	604,607	27,264	4,375	31,639	636,246	692,872
17	61	692,872	28,885	4,500	33,385	726,257	790,894
18	62	790,894	30,578	4,625	35,203	826,097	899,619
19	63	899,619	32,346	4,750	37,096	936,715	1,020,083
20	64	1,020,083	34,193	4,875	39,068	1,059,151	1,153,415
			413,716	74,750	488,466		

Management fees reflected in column (6): 1.00%

Plan results are hypothetical only. Actual results will vary due to changes in contributions and withdrawals, income tax brackets, and investment performance.

Retirement Distribution Analysis of A Qualified Plan

Distribution Page: 1
Date: [Current date appears here]

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For: George Baker, MD

		Qualified Plan Yield 10.00%	Retirement Income Tax Bracket 35.00%			
Year	Age	(1) Beginning of Year Balance in Plan Assets	(2) Before Tax IRS Minimum Distribution Required*	(3) Before Tax Scheduled Distribution	(4) After Tax Income from Scheduled Distribution	(5) Year End Plan Assets
1	65	1,153,415	0	115,200	74,880	1,130,617
2	66	1,130,617	0	115,200	74,880	1,105,789
3	67	1,105,789	0	115,200	74,880	1,078,751
4	68	1,078,751	0	115,200	74,880	1,049,307
5	69	1,049,307	0	115,200	74,880	1,017,243
6	70	1,017,243	37,126	115,200	74,880	982,324
7	71	982,324	37,069	115,200	74,880	944,299
8	72	944,299	36,887	115,200	74,880	902,888
9	73	902,888	36,554	115,200	74,880	857,793
10	74	857,793	36,042	115,200	74,880	808,683
11	75	808,683	35,314	115,200	74,880	755,203
12	76	755,203	34,327	115,200	74,880	696,964
13	77	696,964	32,876	115,200	74,880	633,541
14	78	633,541	31,209	115,200	74,880	564,473
15	79	564,473	28,947	115,200	74,880	489,258
16	80	489,258	26,164	115,200	74,880	407,349
17	81	407,349	22,757	115,200	74,880	318,151
18	82	318,151	18,605	115,200	74,880	221,013
19	83	221,013	13,559	115,200	74,880	115,231
20	84	115,231	7,434	115,200	74,880	33
			434,870	2,304,000	1,497,600	

Management fees reflected in column (5): 1.00%

*Column (2) projects an estimate of the required minimum distribution based on the Uniform Lifetime table life expectancy factors, recalculated each year based on asset value and client age.

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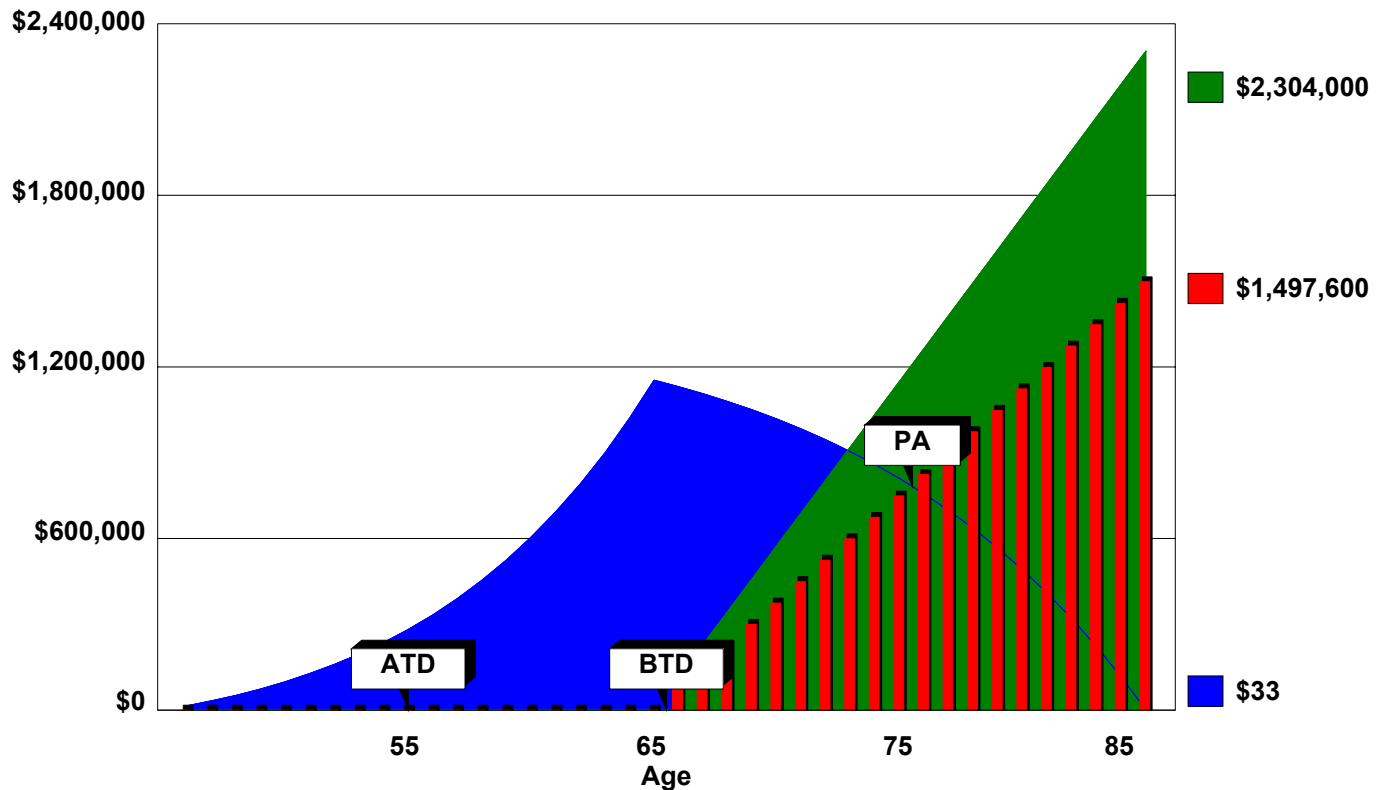
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Accumulation and Distribution Summary



- ATD - After Tax Distributions (Cumulative)
- BT - Before Tax Distributions (Cumulative)
- PA - Before Tax Plan Assets

Note: All projections are based on client furnished data and assumptions.