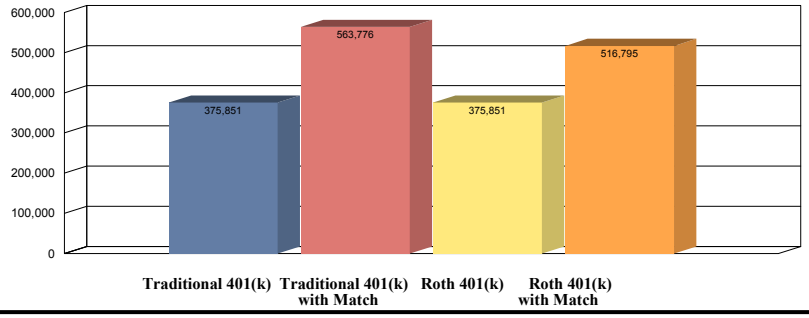
Roth Testing 401(k) Plan

Traditional vs. Roth 401(k) Comparison (Level Net Pay)

For
Rich Wannabe

	Traditional 401(k)	Roth 401(k)
Annual Compensation	100,000	100,000
Pre-tax Salary Deferral	10,000	0
Adjusted Gross Income	90,000	100,000
Taxes	10,451	12,951
Net Pay	79,549	87,049
Post-tax Salary Deferral	0	7,500
Net Available Income	79,549	79,549
Matching Contribution	5,000	3,750
401(k) Accumulation at Age 65 (5.00%)	501,135*	375,851*
Estimated Taxes	125,284**	0
Net Available 401(k) Funds	375,851	375,851
Matching Accumulation at Age 65 (5.00%)	250,567*	187,925*
Estimated Taxes	62,642**	46,981**
Net Available Matching Funds	187,925	140,944
Net Available Funds	563,776	516,795

Net Available Funds at Age 65



**Accumulated amount has not been reduced to reflect tax payments on accumulated income because income accumulates on a tax-deferred basis in qualified retirement plans.*

*** Estimated taxes assume current marginal tax rate of 25.00%.*

Amounts withdrawn from a Traditional 401(k) plan or any qualified Matching funds are subject to tax at the rate in effect at time of withdrawal. Lump sum distributions at retirement may qualify for special tax treatment.