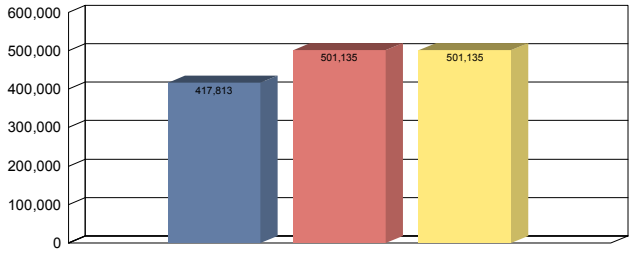
Roth Testing 401(k) Plan

Traditional and Roth 401(k) Feasibility Study
For
Rich Wannabe

	No Plan	Traditional 401(k)	Roth 401(k)
Annual Compensation	100,000	100,000	100,000
Pre-tax Salary Deferral	0	10,000	0
Adjusted Gross Income	100,000	90,000	100,000
Taxes	12,951	10,451	12,951
Net Pay	87,049	79,549	87,049
Personal Savings	10,000	0	0
Post-tax Salary Deferral	0	0	10,000
Net Available Income	77,049	79,549	77,049
Accumulation at Age 65 (5.00%)	417,813*	501,135**	501,135**

Accumulation at Age 65



**Accumulated amount is reduced to reflect tax payments on accumulated income based on 25.00%.*

***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.*

Lump sum distributions at retirement may qualify for special tax treatment.