

SAI Security Administrators, Inc.

105 Court Street
P.O. Box 1625
Binghamton, NY 13902-1625
(607) 771-1180

906 Spencer Street, Suite 200
Syracuse, NY 13204
(315) 474-8331

www.saiplans.com

STAND ALONE CASH BALANCE

INSTALLATION KIT



BINGHAMTON OFFICE:
105-107 COURT STREET
P.O. BOX 1625
BINGHAMTON, NY 13902-1625
(607) 771-1180
FAX: (607) 771-6842

FEE SCHEDULE FOR QUALIFIED RETIREMENT PLANS

PLAN NAME: _____
PLAN TYPE: _____
EFFECTIVE: _____

SYRACUSE OFFICE:
- S* Q9B 79F QHF99H
Q #D'88S
SYRACUSE, NY 1320(
(315) 474-8331
FAX: (315) 474-8460

SAI provides retirement plan design and administration for fees based on time and hourly billing rates. Hourly billing rates are as follows: Pension Analyst \$100, Consultant/Actuary \$150, Senior Actuary \$250. SAI's services must be retained before work begins. Submitting the retainer (described below) and a signed Administrative Service Authorization Agreement (attached) may retain SAI.

The fees shown below are minimums and will apply unless our time charges exceed the quoted minimum, as in cases where the plan requires extra asset reconciliation work, or when work must be repeated due to changes in design, contributions or data.

I. RETAINER (for New Clients) \$1,000

The retainer will be credited toward Installation Services. The Retainer is non-refundable.

Complete a separate Fee Schedule & Administrative Service Authorization for each plan submitted.

II. INSTALLATION SERVICES

- Prototype Plans \$1,000
Individually Designed DC \$2,000
Individually Designed DB (Including Cash Balance) \$3,000

Plan Design Hourly Rates

III. ANNUAL ADMINISTRATIVE SERVICES 1,2

401(k)/403(b):

- Annual \$1,000 \$20/participant
New Comparability \$1,300 \$30/participant
Quarterly \$2,000 \$40/participant
Q'ly New Comp. \$2,300 \$50/participant

Profit Sharing:

- Traditional \$ 800 \$20/participant
Age Based \$ 900 \$20/participant
New Comparability \$1,000 \$30/participant

Pension: 3

- Defined Benefit \$1,500 \$50/participant
Fully Insured \$1,250 \$50/participant
Money Purchase \$ 800 \$20/participant
Target Benefit \$ 900 \$30/participant

IV. MISCELLANEOUS SERVICES

FAS '87 Reporting Hourly Rates

- Plan Termination:
Defined Contribution \$ 900 4 \$50/participant
Defined Benefit \$2,000 \$75/participant

Participant Retirement Calculations & Forms:
Defined Contribution Hourly Rates
Defined Benefit Hourly Rates

- Take Over Existing Plan Hourly Rates
IRS Submission Hourly Rates 5
IRS Form 1099-R \$ 30 \$100 minimum
IRS Form 5558 \$ 100
Other Services (Audit Requests...) Hourly Rates

1 A Participant is an employee who meets statutory eligibility requirements and must be included in discrimination tests or on IRS forms. The per participant service fee for each eligible participant without an account balance will be 1/2 the fee quoted above.

2 Subtract \$200 if: plan covers only owner & spouse (or partners), assets are less than \$250,000 and IRS 5500 is not filed.

3 For any defined benefit plans (including 412(i) plans) that require general testing, an additional annual minimum charge of \$1,500 will apply.

4 Increased to \$2,000 if IRS filing is desired.

5 IRS submission is optional, and requires IRS filing fees in addition to SAI service fees.

I. RETAINER

SAI provides plan design, consulting & administration for a fee. SAI's hourly fees are as follows:

- **Pension Analyst:** \$100
- **Consultant/Actuary:** \$150
- **Senior Actuary:** \$250

SAI must be retained before work begins. The minimum retainer is **\$1,000**. For new plans, the retainer is a credit toward Installation Services, including time spent by SAI on plan design and consulting. If an existing plan document is not restated onto an SAI document, a fee for reviewing the existing plan document may apply.

II. INSTALLATION SERVICES

- Consult on plan type & design.
- Draft Plan Document.
- Draft Summary Plan Description.
- Prepare & file Application for IRS Determination Letter (Form 5300 series), if requested.
- Prepare Notification to Interested Parties that the Plan will be submitted to IRS for approval, if requested.
- Establish Plan & Participant records.
- Review existing Plan Documents & Amendments, if applicable.

III. ANNUAL ADMINISTRATIVE SERVICES

- Notify Plan Administrator of upcoming Plan Anniversary & request data.
- Review annual Trust asset reconciliation or reconcile, if necessary.
- Review participant census data for completeness & reasonableness.
- Calculate minimum required and/or maximum allowable contributions.
- Allocate earnings, contributions & forfeitures for defined contribution plans.
- Test compliance with ADP & ACP for 401(k) plans.
- Complete defined benefit plan actuarial valuations (min/max contribution, PBGC premium, FAS Accounting).
- Calculate Accrued Benefits, Funding Standard Account, & Full Funding Limitation for defined benefit plans.
- Prepare annual report for Management & benefit statements for Participants.
- Prepare Annual Return/Report Form 5500 for IRS/PWBA.
- Prepare Summary Annual Report for Participants.
- Prepare PBGC premium forms for defined benefit plans, if applicable.
- Monitor Plan for continued compliance with the Internal Revenue Code.

IV. MISCELLANEOUS SERVICES--PROVIDED UPON WRITTEN REQUEST

- Calculate distributions to Participants & prepare distribution forms.
- Prepare Form 1099-R to report benefit payments or PS-58 costs.
- Draft Plan Amendment.
- Research.
- Provide plan design, actuarial & consulting services.
- Perform and provide FAS '87 actuarial valuations & accounting reports.
- Terminate Plan, including assistance with governmental filings, if desired.

ADMINISTRATIVE SERVICE AUTHORIZATION AGREEMENT (“AGREEMENT”)

The undersigned Client (“CLIENT”) is a business entity desiring to retain the services of Security Administrators, Inc. (“SAI”), to assist the CLIENT’S Plan Administrator (“PLAN ADMINISTRATOR”) in administering the CLIENT’S employee retirement benefit plan (“PLAN”). The parties hereto agree to the following terms and conditions:

1. SAI shall provide the services requested by the CLIENT as indicated in the Fee Schedule for Qualified Retirement Plans (“FEE SCHEDULE”) attached to and made part of this AGREEMENT. The relationship of SAI to the CLIENT and the PLAN is solely that of a servicing agent performing ministerial functions to assist the PLAN ADMINISTRATOR, with all final decisions to be made by the PLAN ADMINISTRATOR or other named fiduciaries under the PLAN as a result of independent judgments by them.
2. The CLIENT agrees to pay SAI the retainer and fees for services rendered by SAI in accordance with the FEE SCHEDULE. Payment shall be made within thirty (30) days of the billing date. Amounts not paid within 30 days of the billing date will accrue an 18% late charge per annum. SAI reserves the right to modify the FEE SCHEDULE upon thirty (30) days’ prior written notice to the CLIENT. The CLIENT agrees to pay all reasonable costs and expenses to which SAI may be put or which SAI may incur in connection with or related to any collection steps (including any and all attorney’s fees, costs and disbursements) with respect to any amounts due under this AGREEMENT.
3. All reports and calculations prepared by SAI regarding the PLAN, PLAN participants and PLAN asset information shall be based exclusively on information provided to SAI by, or on behalf of, the CLIENT. SAI assumes responsibility solely for the correctness of reporting formats provided by SAI and the accuracy of calculations performed by SAI based on the information furnished to SAI by, or on behalf of, the CLIENT. SAI assumes no responsibility for the accuracy or completeness of information furnished to SAI by, or on behalf of, the CLIENT. The repetition of reports or calculations due to incomplete or inaccurate information provided to SAI shall be at the CLIENT’S expense. Any files, electronic data and work products, prepared, created or held by SAI, other than reports delivered to the CLIENT by SAI under this AGREEMENT, shall be and remain the exclusive property of SAI.
4. SAI shall complete government forms requested by the CLIENT as indicated on the FEE SCHEDULE as fully as possible based on information regarding the PLAN in the possession of SAI. Completion of information not in the possession of SAI will be the responsibility of the PLAN ADMINISTRATOR prior to the timely filing by the PLAN ADMINISTRATOR of the government forms with the appropriate federal authorities. The CLIENT shall be responsible for the timely filing of government forms and for the accuracy of the contents thereof.
5. SAI shall not:
 - a. Have any duty to question information furnished to it;
 - b. Be responsible for the terms or the validity of the PLAN;
 - c. Be liable for federal, state and other taxes, interest and penalty charges imposed on the CLIENT or the PLAN;
 - d. Be deemed to have assumed an obligation to any party to the PLAN, or to any PLAN participant;
 - e. Be deemed a fiduciary of the PLAN, or the CLIENT’S PLAN ADMINISTRATOR, as defined in ERISA;
 - f. Have any duty with respect to the application of funds, securities or other assets of the PLAN, or to question any action by a party to the PLAN, or any PLAN participant;
 - g. Exercise or have any discretionary authority, control or responsibility with respect to management or administration of the PLAN or PLAN assets;
 - h. Render or perform any investment advisory services;
 - i. Be responsible for filing government forms for, or on behalf of, the PLAN.
6. SAI may employ the services of its employees or contract with independent parties in the performance of this AGREEMENT.
7. The CLIENT shall indemnify SAI for, and save SAI harmless from, all losses, liabilities, expenses, lawsuits, claims and damages of any nature resulting from any act or failure to act on the part of the CLIENT or PLAN ADMINISTRATOR.
8. The initial term of this AGREEMENT shall be for a period of one year and shall be considered to be renewed from year to year unless terminated by either party by giving written notice to the other party of termination by certified or registered mail not less than sixty (60) days prior to the effective date of such termination. The obligations of the CLIENT and SAI under this AGREEMENT will terminate upon the occurrence of one or more of the following:
 - a. Termination of the PLAN;
 - b. Assumption of administrative duties for the PLAN by another party.
9. This is the entire AGREEMENT between the parties hereto with respect to services covered by this AGREEMENT and may be altered only by written consent of both parties.
10. This AGREEMENT shall be governed and construed in accordance with the laws of the State of New York. The venue of any legal proceeding brought under this AGREEMENT shall be in Broome County, New York.

PLAN INFORMATION

Plan Name(s)

Employer/Sponsor

Address

Phone

Fax

DESIGNATED CONTACTS

The CLIENT authorizes SAI to contact and discuss all information pertaining to the PLAN with the person(s) named below. The CLIENT also authorizes SAI to send copies of all notices and correspondence pertaining to the PLAN to the person(s) named below.

Attorney

Address

Phone

Fax

Accountant

Address

Phone

Fax

Financial Advisor

Address

Phone

Fax

Office Manager

Address

Phone

Fax

This Agreement is executed by the undersigned parties to be effective _____.

SIGNATURES

Client: _____

Security Administrators, Inc.

By

By

Title

Title

Print

Print

Date

Date



SECURITY ADMINISTRATORS, INC.

105 Court Street • P.O. Box 1625
Binghamton, NY 13902-1625
(607) 771-1180

906 Spencer Street, Suite 200
Syracuse, NY 13204
(315) 474-8331

NOTICE TO SPONSORS OF CASH BALANCE RETIREMENT PLANS

I (We), _____,
_____, Trustee(s) of the following Plan:
_____ (“Plan”)

sponsored by _____ (the “Employer”) hereby acknowledge,
and agree to, the following:

1. A cash balance plan is a “hybrid” defined benefit plan for purposes of ERISA that provides guaranteed benefits for employees. It is like a money purchase plan because it provides benefits to employees by alluding to a hypothetical account balance. Contributions to the hypothetical account are typically based on a percentage of compensation. The hypothetical account is credited with interest each year based on some objective index or other amount as defined in the plan document in accordance with Internal Revenue Service rules. Cash balance retirement plans have many similarities to money purchase pension plans, as hypothetical individual accounts are set up for each employee. However, it is important to note that these plans are significantly different from the employer’s standpoint than money purchase pension plans.
2. The hypothetical account is not related to actual plan assets and does NOT represent a participant’s share of actual plan assets. It is merely a bookkeeping artifice that tracks participants’ accrued benefits. Because cash balance plans are defined benefit plans, employer contributions are based on an actuarial valuation and may not equal the sum of participant account additions.
3. A cash balance plan is a defined benefit plan because it does not satisfy the legal definition of a defined contribution plan.
4. The amount to be contributed to the Plan each year is actuarially determined to provide the promised benefits for all participants. Because benefits are not based solely on the actual contributions or investment returns and expenses of the plan, the plan sponsor may contribute more or less to the plan in a given year than the amounts credited to the hypothetical accounts.
5. It is important to remember that the investment risk in a cash balance plan remains with the plan sponsor, not the plan participants.
6. The decision on whether to implement a cash balance retirement plan rests with the plan sponsor and their tax/legal counsel.
7. If this document is signed by only one Trustee of the Plan, that Trustee is authorized to act individually on behalf of the Plan and is signing this Notice with the consent of all Trustees of the Plan.

I do do not N/A want to have Security Mutual Life Insurance Company of New York (SML) automatically transfer monies from SML’s Auxiliary Funds owned by the Plan (without penalty) to pay scheduled premiums on SML life policies when due.

I do do not N/A want to have Security Mutual Life Insurance Company of New York automatically increase the face amounts of life insurance policies as called for in my Plan (without evidence of insurability and up to the maximum issue limit of the program) as needed to meet nondiscrimination requirements. I understand that this special underwriting program may be withdrawn or modified at the sole discretion of Security Mutual.

Signature of Employer’s Principal

Date _____

Signature of Trustee(s)

Date _____

Signature of Trustee(s)

Date _____

INITIAL INFORMATION REQUEST

Confidential Client Questionnaire—Transmit Only Through Secure Methods

I. COMPANY INFORMATION

1. Address & Telephone

Company Name			
Address	City	State	Zip Code
Phone	Fax	E-Mail	

2. Business Entity Type

- Corporation
- S Corporation
- Professional Corporation (PC)
- Limited Liability Company (LLC/LLP)
- Taxed as: Partnership Corporation

Business Activity Code: _____

- Partnership
- Sole Proprietorship
- Non-Profit Organization
- Other:

Partnerships and Sole Proprietors *must* provide copies of most recent Schedule K-1 or Schedule C, as well as a projection of the current year's Net Profit (Projected Gross Profit less *all* Projected Expenses *except* current year plan contributions).

3. Employer Tax ID: _____

4. Fiscal Year End: _____

5. Key Employee Information

A. If there are 10 or fewer shareholders, identify each and the exact percent of stock owned. If there are more than 10 shareholders indicate only:

1. owners of more than 5%
2. owners of more than 1% earning more than \$160,000 (indexed) in the current year
3. officers earning more than \$160,000 (indexed) in the current year

Also include family members of shareholders who are on the payroll and indicate the name of the family member and the relationship to that stockholder.

Name	% Ownership	Family Member—Name & Relationship

B. Identify all officers. Indicate with an asterisk (*) each officer whose authority is nominal.

Name	Title

C. Identify any other participants who are not shareholders or officers but who had that status within the last 5 years. Indicate the percent of stock formerly owned, indicate family members of former shareholders who were (or are) on the payroll and indicate the date the participant no longer owned the stock.

Name	% Ownership	Family Member—Name & Relationship	Date

6. Related Employers

A. Does the Employer, any Owner or any Owner's relative own another business?

YES NO

B. **Related Employers that form either a *Controlled Group* or an *Affiliated Service Group* are generally treated as one Employer. All Controlled or Affiliated Service Group members are treated as one employer when applying Minimum Participation and Coverage requirements.**

Use Section C to disclose and describe all Related Employers. SAI will help determine if the Related Employers form a Controlled Group or an Affiliated Service Group. In complex situations, SAI may advise you to consult a Pension Attorney to make this determination. In any event, this determination must be made prior to adopting a Qualified Retirement Plan.

Acknowledged: YES

C. **IDENTIFY ALL RELATED EMPLOYERS AND THEIR OWNERSHIP STRUCTURE IN THE CHART ON THE NEXT PAGE.**

(Use and attach a separate sheet of paper if there is not enough room in the chart.)

**Related Employer Name, Ownership Percentages,
Employer ID #, Business Entity Type & Relationship**

Company Name:	Owner #1	%
EIN: _____ Business Entity Type: <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> PC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> LLC/LLP (Taxed as: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation)	Owner #2	%
	Owner #3	%
	Owner #4	%
	Describe the relationship between this entity and the other Employers listed:	
Company Name:	Owner #1	%
EIN: _____ Business Entity Type: <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> PC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> LLC/LLP (Taxed as: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation)	Owner #2	%
	Owner #3	%
	Owner #4	%
	Describe the relationship between this entity and the other Employers listed:	
Company Name:	Owner #1	%
EIN: _____ Business Entity Type: <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> PC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> LLC/LLP (Taxed as: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation)	Owner #2	%
	Owner #3	%
	Owner #4	%
	Describe the relationship between this entity and the other Employers listed:	
Company Name:	Owner #1	%
EIN: _____ Business Entity Type: <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> PC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> LLC/LLP (Taxed as: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation)	Owner #2	%
	Owner #3	%
	Owner #4	%
	Describe the relationship between this entity and the other Employers listed:	

7. Leased Employees

A *leased employee* is anyone who is actually paid by a leasing company to perform services for your Company *under your primary direction and control* on a *substantially full-time basis* for at least 1 year in accordance with an agreement between the leasing company and your Company.

- A. Does your company have services provided by employees of a leasing organization?
 Yes No

- B. Are the leased employees covered under a safe harbor plan (10% Money Purchase plan with immediate entry and 100% immediate vesting) maintained by the leasing organization?
 Yes No

- C. Please list the number of Leased Employees and the functions they perform:

8. Union Employees

- A. Does your company employ members of a Union? Yes No

- B. Have the retirement benefits of the Union Employees been the subject of a good faith Collective Bargaining Agreement? Yes No

- C. Please list the number of Union Employees and the functions they perform:

9. Miscellaneous

- A. Has your company been involved, or is it anticipated to be involved, in a corporate merger, acquisition, dissolution or bankruptcy? Yes No

- B. If applicable, state the name of your company's payroll service:

- C. State your Date of Incorporation or First Day of Operation: _____

- D. Please write any additional questions or comments below:

II. QUALIFIED PLAN INFORMATION

1. Existing Plans

- A. Does your company, or any related or predecessor business, currently sponsor any active or inactive retirement plan(s)? Yes No (Go to Section II.2 below.)

If Yes, identify these existing plans below & provide the items listed in Section IV.6:

Employer Name	Plan Type (Profit Sharing, Defined Benefit...)	# Participants	Active or Inactive

- B. Do any members of your Controlled or Affiliated Service Group participate in one of the plans listed above, or any other plan? Yes No

Identify these employers and plans:

Employer Name	Plan Name

2. New Plans

- A. Identify the desired plan year (i.e. 1/1 to 12/31): _____
 B. Identify the type of qualified retirement plan you intend to adopt:

Required Contribution	Discretionary Contribution
<input type="checkbox"/> Defined Benefit <input type="checkbox"/> Cash Balance <input type="checkbox"/> Fully Insured <input type="checkbox"/> Money Purchase/Target Benefit	<input type="checkbox"/> Profit Sharing <input type="checkbox"/> Age-Based or New Comp. Profit Sharing <input type="checkbox"/> 401(k) <input type="checkbox"/> Other:

- C. Identify the desired eligibility requirements:

Service	Minimum Age
<input type="checkbox"/> 6 Months <input type="checkbox"/> 1 Year <input type="checkbox"/> Other (may require 100% immediate vesting):	<input type="checkbox"/> 18 <input type="checkbox"/> 21 <input type="checkbox"/> Other (maximum age is 21):

- D. Identify the desired Normal Retirement Age:

Age	Service
<input type="checkbox"/> Age 65 <input type="checkbox"/> Other (cannot exceed 65):	<input type="checkbox"/> 5 Years <input type="checkbox"/> Other (cannot exceed 5):

- E. Identify the desired Vesting Schedule:

<input type="checkbox"/> Immediate (100%) <input type="checkbox"/> 3 Year Cliff (0, 0, 100%) <input type="checkbox"/> 6 Year Graded (0, 20, 40, 60, 80, 100%)

- F. Identify any desired Employee Class Exclusions

<input type="checkbox"/> Union Members <input type="checkbox"/> Non-Resident Aliens <input type="checkbox"/> Other:

III. CENSUS INFORMATION—LIST ALL EMPLOYEES OF ALL RELATED EMPLOYERS, REGARDLESS OF CLASSIFICATION, HOURS OR SERVICE.

The following information is needed to design and administer a retirement plan for your Company. It should only be transmitted through some form of encrypted email or other traditional and secure methods such as fax or surface mail.

For more than 10 participants, please provide the census data indicated below in MS Excel or ASCII format on a CD ROM.

Name & Title	Social Security Number	Date of Birth	Date of Hire	Prior Compensation*			Expected Current Compensation*			Hours
				Period:			W2	K1	Sch. C	
				W2	K1	Sch. C				

*Compensation must be the Earned Income reported or projected on the applicable IRS Form (W2, Schedule C, K1...).

IV. EXISTING PLAN INFORMATION (IF APPLICABLE)

INSTRUCTIONS

Complete this section if you are requesting SAI to assist you with the administration of your existing retirement plan(s). In order to provide the best possible service, SAI needs your help in compiling the following information regarding your plan(s). Please make every effort to complete this section thoroughly. Additional time spent piecing together missing data, reconciling assets, repeating calculations due to changes in data, and other types of *problem solving* will result in increased administrative fees.

1. Provide the names and addresses of persons currently providing services for your existing retirement plan(s):

Third Party Administrator	Address	Phone
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Accountant	Address	Phone
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Financial Advisor	Address	Phone
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2. Do you want to restate or redesign your existing retirement plan(s)? Yes No

3. Please describe what you would like to accomplish by redesigning or restating your plan(s):

4. Why are you leaving your current service provider(s)?

5. Identify the first plan year for which you would like SAI to begin administrative services.

Plan Year Beginning: ____/____/20__ Plan Year Ending: ____/____/20__

6. FOR EACH PLAN LISTED, PROVIDE COPIES OF THE FOLLOWING ITEMS. IF THE ITEM DOES NOT EXIST, PLEASE PROVIDE A SIGNED WRITTEN STATEMENT TO THAT EFFECT.

- | | |
|--|--------------------------|
| <input type="checkbox"/> Current Plan & Trust Document w/ all amendments | <input type="checkbox"/> |
| <input type="checkbox"/> Adoption Agreement (if separate) & Most Recent IRS Determination Letter | <input type="checkbox"/> |
| <input type="checkbox"/> Most Recent Annual Report & Valuation | <input type="checkbox"/> |
| <input type="checkbox"/> Prior 3 Years' IRS Form 5500s | <input type="checkbox"/> |
| <input type="checkbox"/> Prior Year's Asset Statements | <input type="checkbox"/> |
| <input type="checkbox"/> Participant Loan Documentation (if applicable) | <input type="checkbox"/> |
| <input type="checkbox"/> For 401(k) Plans, Prior 3 Years' ADP/ACP Testing Basis | <input type="checkbox"/> |

V. SIGNATURES

Signature of Authorized Officer	Date
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Print Name of Authorized Officer	Print Title of Authorized Officer
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