


RETIREMENT SAVINGS PLANS OVERVIEW

Employer Sponsored Plans

The UNIFI Companies

AN 1037 4/07

RETIREMENT SAVINGS PLANS OVERVIEW

Accumulation

Feature	SIMPLE-IRA	SEP-IRA (Simplified Employee Pension)	403(b) Tax Sheltered Annuities	SIMPLE-401(k)	401(k) Safe Harbor	Profit Sharing (Defined Contribution)	401(k)/Personal 401(k)[9] Profit Sharing	Money Purchase (Defined Contribution)	Defined Benefit Plan
Definition	Plan for an employer with 100 or fewer employees earning at least $5,000 in the previous year. Plan in which employees may contribute typically through a salary reduction agreement. Employer makes either matching or non-elective contribution to an IRA.	Plan through which employer contributions are made to IRAs established and maintained by eligible employees. These tax-deductible contributions must be allocated by the employer on a nondiscriminatory basis.	Retirement program established by certain tax-exempt employers and public education organizations. Funded through salary reduction agreements. 403(b) accounts may invest only in annuities or mutual funds.	Plan for an employer with 100 or fewer employees earning at least $5,000 in the previous year. Plan in which employees may contribute typically through a salary reduction agreement. Employer makes either matching or non-elective contribution to a 401(k).	Plan permits a cash or deferred arrangement as part of an employer's profit sharing plan. Typically in the form of salary reduction agreement between the employer and employee. If certain safe harbor requirements are met, special nondiscrimination tests will not apply.	Plan into which employer makes discretionary contributions on behalf of employees. All contributions plus earnings are allocated to individual accounts, which determine the individual's benefit at retirement. Profits are not required for employer contributions. Contributions may be age-weighted.	Plan permits a cash or deferred arrangement as part of an employer's profit sharing plan. Typically in the form of salary reduction agreement between the employer and employee. Special nondiscrimination tests apply.	Plan has a formula in which employer is required to contribute a definite amount each year (such as a percentage of salary) on behalf of each participant. All contributions plus earnings are allocated to individual accounts, which determine the individual's benefit at retirement. Contributions may be age-weighted.	Plan is established so that the amount of the employee's retirement income is defined in advance by a formula. The employer's contribution is determined actuarially and must be sufficient to enable the fund to meet its liabilities as they come due in future years. Plan assets are not allocated to individuals' accounts.
Maximum Employee Contribution	Employee may contribute up to $10,500 of compensation in 2007. Individuals age 50 or over may also make a "catch-up" contribution of $2,500 in 2007 (subject to cost-of-living adjustments thereafter), provided the plan terms allow.	Employee contributions are not permitted in plans established after 1996.	Employee may contribute up to $15,500 of compensation in 2007. Individuals age 50 or over may also make a "catch-up" contribution of $5,000 in 2007 provided the plan terms allow.[1] Additional contributions may be permitted for individuals with 15 or more years of service with qualified organizations.	Employee may contribute up to $10,500 of compensation in 2007. Individuals age 50 or over may also make a "catch-up" contribution of $2,500 in 2007 (subject to cost-of-living adjustments thereafter), provided the plan terms allow.	Employee may contribute up to $15,500 of compensation in 2007. Individuals age 50 or over may also make a "catch-up" contribution of $5,000 in 2007, provided the plan terms allow.[1]	Generally not applicable.	Employee may contribute up to $15,500 of compensation in 2007. Individuals age 50 or over may also make a "catch-up" contribution of $5,000 in 2007 provided the plan terms allow.[1]	Generally not applicable.	Generally not applicable.
Entity or Person That Can Establish Plan	Corporation Partnership Self-Employed Nonprofit Government	Corporation Partnership Self-Employed Nonprofit Government	Public Educational Institution, certain ministers or Tax-exempt 501(c)(3) Organization	Corporation Partnership Self-Employed Nonprofit	Corporation Partnership Self-Employed Nonprofit	Corporation Partnership Self-Employed Nonprofit	Corporation Partnership Self-Employed[9] Nonprofit	Corporation Partnership Self-Employed Nonprofit	Corporation Partnership Self-Employed Nonprofit

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Employer's Obligation to Contribute	Employer's annual choice: (1) 100% matching contribution on each employee's elective deferral, up to a maximum of 3% of compensation. The matching limit may be reduced by the employer to 1% or 2% of compensation in no more than 2 years in a 5 year rolling period; alternatively, (2) a nonelective contribution equal to 2% of compensation for all eligible employees.	Voluntary contributions; amount can be changed or skipped from year to year.	Employer contributions permitted, but may subject the plan to ERISA and additional reporting/ discrimination requirements.	Employer's annual choice: (1) 100% matching contribution on each employee's elective deferral, up to a maximum of 3% of compensation; alternatively, (2) a nonelective contribution equal to 2% of compensation for all eligible employees.	Employer must meet matching contribution requirement (effectively 100% match on elective deferrals up to 4% of plan year compensation) or profit sharing contribution requirement (at least 3% of plan year compensation) in order to achieve safe harbor status. Match may not be applied to deferrals in excess of 6% of compensation.	Contributions must be substantial and recurring.	Employer contributions may be made but not required. Employer contribution mandatory if plan is top heavy. [4]	Employer must meet annual minimum funding requirement, the percentage contribution chosen by the employer when plan was adopted.	Employer must meet minimum funding requirements, dictated by the benefit formula and calculated annually by an actuary.
Maximum Deductible Contribution	Employee elective deferrals plus employer matching or nonelective contributions.	25% of compensation for all eligible employees; allocation to a participant cannot exceed $45,000. [1,7]	Not applicable.	Employee elective deferrals plus employer matching or nonelective contributions.	25% of participants' compensation.[7] Allocation to a participant cannot exceed the lesser of 100% of compensation or $45,000.	25% of participants' compensation.[7] Allocation to a participant cannot exceed the lesser of 100% of compensation or $45,000. [6, 7]	25% of participants' compensation.[7] Allocation to a participant cannot exceed the lesser of 100% of compensation or $45,000. [6, 7]	25% of participants' compensation.[7] Allocation to a participant cannot exceed the lesser of 100% of compensation or $45,000.[7]	Amount needed to fund monthly benefit at normal retirement age. Generally, annuity benefit from the plan may not exceed $180,000 or 100% of average compensation for the highest of three consecutive years.[1, 2]
Eligibility	Includes all employees who have received at least $5,000 during any 2 preceding years and who are reasonably expected to receive at least $5,000 in the current year.	Mandatory participation for all employees over age 21 who have worked for employer for any part of 3 of preceding 5 calendar years. May exclude employees earning less than $500 in the current year. [1]	Virtually every employee is eligible if participation is voluntary.	Possible exclusions: under age 21; employees who have worked less than 1,000 hours per year of service; less than 1 year of service. [3]	Possible exclusions: under age 21; employees who have worked less than 1,000 hours per year of service; less than 1 year of service. [3]	Possible exclusions: under age 21; employees who have worked less than 1,000 hours per year of service; less than 1 year of service. [3]	Possible exclusions: under age 21; employees who have worked less than 1,000 hours per year of service; less than 1 year of service. [3]	Possible exclusions: under age 21; employees who have worked less than 1,000 hours per year of service; less than 1 year of service. [3]	Possible exclusions: under age 21; employees who have worked less than 1,000 hours per year of service; less than 1 year of service. [3]

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Establishment and Contribution Deadlines	Plan must be established by October 1 of the current year. Employer contributions must be made by due date of employer's tax return, including extensions. After the plan is signed and in effect and the salary reduction agreement is signed, employee salary reduction contributions must be withheld and deposited promptly.	Plan must be established, and employer contributions made by due date of employer's tax return, including extensions.	Plan can be established any time during calendar year. After the plan is signed and in effect and the salary reduction agreement is signed, employee salary reduction contributions must be withheld and deposited promptly.	Plan must be established by October 1 of the current year. Employer contributions must be made by due date of employer's tax return, including extensions. After the plan is signed and in effect and the salary reduction agreement is signed, employee salary reduction contributions must be withheld and deposited promptly.	Plan must be established by tax year end. Employer contributions must be made by due date of employer's tax return, including extensions. After the plan is signed and in effect and the salary reduction agreement is signed, employee salary reduction contributions must be withheld and deposited promptly.	Plan must be established by tax year end, and contributions must be made by due date of employer's tax return, including extensions.	Plan must be established by tax year end and employer contributions made by date of employer's tax return, including extensions. After the plan is signed and in effect and the salary reduction agreement is signed, employee salary reduction contributions must be withheld and deposited promptly.	Plan must be established by tax year end, and contributions must be made by due date of employer's tax return, including extensions.	Plan must be established by tax year end. Contributions must be made by due date of employer's tax return, including extensions, but no later than 8½ months after the end of the plan year.
Social Security Integration	No	Prototype - Yes. IRS model - No.	No	No	Yes (Although safe harbor non-elective may not be part of integration formula.)	Yes	Yes	Yes	Yes
Vesting Requirements	Immediate 100%	Immediate 100%	Generally, Immediate 100%	Immediate 100%	On employer safe harbor contributions, immediately 100%.[8] Other employer contributions may be subject to vesting schedule requirements.	Generally, 3-year cliff or 6-year graded.	Generally, 3-year cliff or 6-year graded. On employee elective deferrals, immediate 100%.	Generally, 3-year cliff or 6-year graded.	Generally, plans must meet the following requirements: 5-year cliff or 7-year graded.[4]
Minimum Contribution/ Benefit for Top-Heavy Plans	Not applicable.	Up to 3% of compensation to all non-key employee participants	Not applicable.	Not applicable.	Safe harbor pure plans are excluded from top-heavy definition.	Up to 3% of compensation to all non-key employee participants.[4]	Up to 3% of compensation to all non-key employee participants.[4]	Up to 3% of compensation to all non-key employee participants.	Generally, minimum benefit the lesser of: 2% of average compensation times years of service when plan was top heavy; or 20% of average compensation for non-key employee participants.

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Loans[5]	Not permitted.	Not permitted.	Permitted if allowed by plan. See plan document for provisions.	Permitted if allowed by plan. See plan document for provisions.	Permitted if allowed by plan. See plan document for provisions.	Permitted if allowed by plan. See plan document for provisions.	Permitted if allowed by plan. See plan document for provisions.	Permitted if allowed by plan. See plan document for provisions.	Permitted if allowed by plan. See plan document for provisions.
Reporting and Disclosure	Minimal. Employer completes IRS form 5304-SIMPLE and gives a copy of plan when employee becomes eligible. Employer must notify employees of contribution method and percentage during 60-day election period preceding each plan year.	Minimal. Employer completes IRS form 5305-SEP or SEP prototype and gives a copy of plan to employee when employee becomes eligible.	Minimal requirements for salary reduction plan. Full ERISA requirements and IRS Form 5500 annually if employer makes contributions or makes investment decision(s).	Stringent notice requirements. Full ERISA requirements. IRS form 5500 and applicable schedules annually.	Stringent notice requirements in order to achieve and maintain safe harbor status. Full ERISA requirements. IRS Form 5500 and applicable schedules annually.	Full ERISA requirements. IRS Form 5500 and applicable schedules annually.	Full ERISA requirements. IRS Form 5500 and applicable schedules annually. Special discrimination tests apply to deferrals and matching contribution of highly compensated employees. Form 5500-EZ may be applicable to personal 401(k) plans.	Full ERISA requirements. IRS Form 5500 and applicable schedules annually.	Full ERISA requirements. IRS Form 5500 and applicable schedules annually. Enrolled actuary must sign Schedule B.

1. Subject to cost of living adjustments.
2. May be actuarially adjusted if benefits begin before age 62 or after age 65 and if employee has less than 10 years of participation and 10 years of service.
3. Minimum coverage and participation rules apply.
4. Top-heavy minimums apply when more than 60% of account balances/accrued benefits are attributable to key employees. (For model salary reduction SEPs, plan is deemed top-heavy if any key employee defers salary. New salary reduction SEPs no longer may be established.)
5. Certain loans to highly compensated employees may be prohibited transactions.
6. Allocation refers to the total of employer deductible contributions, forfeitures and any employee salary deferral or voluntary after-tax contribution for plan years beginning after 2001.
7. Maximum compensation cannot exceed $225,000 in 2007, (adjusted for cost of living).
8. Change as a result of EGTRRA.
9. A personal 401(k) is a retirement plan designed specifically for businesses with no employees other than the owner and spouse. Compensation for these plans refers to “earned income.”

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Distribution

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Taxation of Distributions	Ordinary income.	Ordinary income.	Ordinary income. Mandatory 20% withholding may apply unless direct rollover.[1]	Ordinary income. Mandatory 20% withholding may apply unless direct rollover.[1]	Same as 401(k) Profit Sharing. Substantial restrictions on withdrawals of safe harbor contributions.	Ordinary income. Mandatory 20% withholding may apply unless direct rollover.[1]	Ordinary income. Mandatory 20% withholding may apply unless direct rollover.[1]	Ordinary income. Mandatory 20% withholding may apply unless direct rollover.[1]	Ordinary income. Mandatory 20% withholding may apply unless direct rollover.[1]
Additional Taxes on Withdrawals[2] before Age 59½	25% penalty on withdrawals during first 2 years of participation; thereafter, 10% penalty applies to withdrawals before 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.	10% penalty applies to withdrawals before age 59½ unless certain exceptions apply.
Requirements for Withdrawals After Age 70½ [3]	Mandatory annual distribution begins after age 70½. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy. Pre-1986 MDIB distributions start at age 75.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy.	Mandatory annual distribution begins after age 70½ or retirement, if later. Minimum required distribution based on life expectancy.
What Happens When the Employee Leaves before 100% Vested? (Forfeiture)	All funds 100% vested and may be withdrawn at any time regardless of employment status.	All funds 100% vested and may be withdrawn at any time regardless of employment status.	All funds 100% vested, generally, and may be withdrawn after separation from service.	All funds 100% vested and may be withdrawn after separation from service.	Forfeited funds may be 1) used to pay expenses; 2) reallocated among remaining participants; 3) used to reduce employer contributions.	Forfeited funds may be reallocated among remaining participants, or may be used to reduce employer contributions.	Forfeited funds may be reallocated among remaining participants, or may be used to reduce employer contributions.	Forfeited funds may be reallocated among remaining participants, or may be used to reduce employer contributions.	Forfeited funds may be 1) used to pay expenses; 2) reallocated among remaining participants; 3) used to reduce employer contributions.

Distributions From Qualified Plans

1. With a direct rollover, the employer sends the distribution directly to a designated financial institution or other custodian (i.e., depositing money in a new employer's plan).
2. A premature distribution is a withdrawal before age 59½, except in the case of IRS approved exceptions such as: certain annuitized or systematic payments, disability, death or a distribution from a qualified plan or 403(b) tax-sheltered annuity made on account of separation from employment after reaching age 55.
3. If the actual payment is less than the minimum required distribution, there is a 50% penalty tax on the difference.

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Ameritas Life, Acacia Life, Union Central Life
and affiliated companies

About the UNIFI Companies

Ameritas Life Insurance Corp., Acacia Life Insurance Company and The Union Central Life Insurance Company have joined forces under the UNIFI Companies umbrella. These life insurance companies and their affiliates offer a wide range of insurance and financial products and services to individuals, families and businesses. Products and services include life insurance, annuities, individual disability insurance, retirement plans and investment products, mutual funds, group dental and eye care insurance, banking and public finance.

The organization's financial strength and stability are reflected in strong financial ratings from independent analysts. The life insurance companies' heritage, dating back to 1867, is built on traditional values, high ethical standards and trusted relationships. For more information, visit the UNIFI Companies web site at www.UNIFIcompanies.com.

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