

403(b) Maximum Annual Contribution for 2005: **\$21,000**

Prepared for John J. Sample

Formula for Elective Deferrals

1. 415(c) general limitation from Worksheet 1		\$42,000
2. 415(c) cap for 2005		\$42,000
3. Over Age 50 Catch Up from Worksheet 3		\$4,000
4. Add Line 3 to the <i>least</i> of Lines 1 and 2	Maximum Annual Addition*	\$46,000
5. Elective deferral limit from Worksheet 2	Basic Elective Deferral Limit	\$14,000
6. Add amount from Worksheet 4	Long Service Limit Increase	\$3,000
7. Add Lines 3, 5 and 6		\$21,000
<i>Least</i> of Lines 4 and 7 above	Maximum Amount Contributable	\$21,000

* Elective Deferrals plus Employer Contributions cannot exceed this amount.

Worksheet 1

1. Gross annual salary for most recent year of service		\$45,000
2. Pre-tax annual contributions to defined benefit plans (6.00% of Salary)		\$2,700
3. <i>Mandatory</i> pre-tax annual contributions to defined contribution plans, other than 403(b) plans		\$0
4. Add Lines 2 and 3	Pre-Tax Deductions	\$2,700
Subtract Line 4 from Line 1, not to exceed \$42,000	Includable Compensation	\$42,000

Worksheet 2

1. Elective deferral contribution limit for 2005		\$14,000
2. Elective deferrals to this employer's defined contribution plans, other than 403(b) or 457 plans		\$0
3. Elective deferrals to another employer's defined contribution plans		\$0
4. Add Lines 2 and 3	Pre-Tax Retirement Plan Contributions	\$0
Subtract Line 4 from Line 1	Elective Deferral Limit	\$14,000

Worksheet 3

1. Age 50 or older catch up contribution amount for 2005		\$4,000
2. Participant's age on December 31, 2005 based on January 1, 1954 date of birth		51
	Eligible Catch Up Amount	\$4,000

Worksheet 4

1. Years of full-time service with present employer from September 1, 1988 through December 31, 2005		17.25
2. Multiply line 1 by \$5,000 (if less than 15 years of service, enter \$0)		\$86,250
3. Total prior employee elective contributions to defined contribution plans		\$82,000
4. Subtract line 3 from line 2	First Limitation	\$4,250
5. All prior year long service limit increases with <i>present employer</i>		\$6,000
6. Subtract line 5 from \$15,000	Second Limitation	\$9,000
7. Annual limit	Third Limitation	\$3,000
<i>Least</i> of line 4, 6, and 7	Long Service Limit Increase*	\$3,000

*Must be an employee of an educational institution, hospital, home health services agency, health and welfare agency, or religious organization.

I understand that this report and the calculations therein are based on *information that I provided* and accept responsibility for any calculation errors that may result from inaccurate information. I recognize that my maximum 403(b) contribution should be calculated *each year* to ensure that my contributions do not exceed the legal limit.

Date John J. Sample (Signature)

Michael J. Prestwich (Signature)
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