



November 1, 2005

«Salutation» «FirstName» «LastName»
«CompanyName»
«MailingAddress1» «MailingAddress2»
«MailingCity», «MailingState» «MailingZipCode»

Dear «Salutation»«LastName»:

RE: «PlanName»

Your 401(k) plan has the opportunity effective January 1, 2006 to add the new Roth 401(k) contributions to your plan. The TPS Fall Newsletter recently featured the Roth 401(k) and how it works.

What is a Roth 401(k) contribution?

A Roth 401(k) contribution is an after-tax elective contribution made by a participant to a 401(k) plan. The participant may irrevocably designate part or all of such 401(k) elective contribution as a taxable Roth 401(k) contribution. The employee will be taxed on the Roth 401(k) contribution in the year the elective deferral is made. The Roth 401(k) contribution grows tax-free in the plan and, together with earnings, will be tax-free when distributed to the participant as a qualified distribution. Unlike Roth IRAs, there is no maximum income limit with respect to the persons eligible to make Roth 401(k) contributions.

Who should add this to their plan?

Companies with existing 401(k) plans should consider adding this to their plan. Since the Roth provisions are scheduled to expire in 2010, this is a window of opportunity for employees to save Roth after-tax dollars. The advantage of after-tax contributions and tax-free withdrawals could add considerable value to an employee's total retirement funding.

We are enclosing some additional information about the Roth provisions for you to review, including:

- TPS tri-fold brochure
- Chart comparing the Roth and traditional 401(k) features
- Engagement letter which can be signed and faxed to us if you wish to add this feature

Do you want to find out more about the Roth 401(k)?

We will be scheduling mini-seminars over the lunch hour to review Roth 401(k) features in November and December. We will be sending out information on these soon. If you know you will be interested in attending one of these, please let us know. You can also find our Fall newsletter and a PowerPoint presentation about Roth 401(k) on our website at www.pensioninsider.com.

What do you need to do to take advantage of this change?

The enclosed tri-fold brochure details the step-by-step process. Once you decide to add Roth 401(k), TPS will send you a packet of paperwork to get started, including plan amendment, enrollment forms and participant education materials. Your financial consultant will be doing the enrollment meetings for your employees before the end of 2005, and you will need to make sure your payroll service has added the Roth 401(k) as a separate type of contribution.

The Pension Specialists will prepare the package for you with all the required documents needed to implement this change. There is a one-time set up fee with no additional cost for ongoing administration. **The set up fee can be paid from plan assets, if your plan document permits.** Because the IRS has not yet issued final regulations on Roth 401(k), The Pension Specialists, Ltd. will include in the fee any necessary updates to your paperwork that may occur due to IRS changes up through June 30, 2007.

If you wish to add the Roth 401(k) feature to our plan, please complete and sign the enclosed engagement letter authorizing this service and either mail to us or fax to us at 815.399.9324. This form also indicates whether or not you wish to have this fee paid from the plan assets or by the company.

To contact us about these seminars, or if you have additional questions regarding this service, please call us at 815.394.5500 or 800.963.5501, or contact us by email at info@pensioninsider.com.

Sincerely,



Anne Brannon
Director of Technical Consulting

Encl.



October 28, 2005

Name: _____

Name of Company/ Plan Sponsor: _____

("The Client") 401(k) Plan Name: _____
also referred to as ("The Plan")

CLIENT ENGAGEMENT LETTER AND CONTRACT FOR SERVICES

The Plan Sponsor and Plan Trustee signatures below authorize The Client to engage The Pension Specialists, Ltd. (TPS, Ltd.) to provide the following services to the The Plan for the stated fee:

I. Consulting Services (One Time) for plan design change to add Roth 401(k) feature to The Plan:

Prepare Documents to add Roth 401(k) feature:

- Sample Corporate Resolution
- Preparation and Review of Amendment to plan document
- Summary of Material Modifications for plan participants
- Revised Enrollment Form
- Participant Education materials explaining differences between Roth and Traditional 401(k) deferrals
- Establish administrative record keeping for Roth contributions
- Process enrollment forms

The company wishes to deduct this fee from my plan assets

The company wishes to pay this fee from the company. Please invoice.

NOTE: the one time fee for this plan change can be paid from the retirement plan assets

II. Payment Terms

Balance due at time of engagement letter is signed and returned. Balances not paid in full within 40 days of the original invoice date are subject to interest of 1.5% per month. The minimum interest charge is \$0.50. In the event an unpaid balance is referred to our collection agency, the client agrees to pay 35% in addition to the unpaid balance in order to cover collection costs. The Client also agrees to reimburse TPS for attorney fees, court costs and other expenses should legal action become necessary.

III. Additional Terms

Fees owed to TPS for administrative services are an obligation of the Client. Any unpaid fees will be deducted from the plan assets if not paid pursuant to the Payment Terms above. This fee covers any changes in documents that may be required due to changes in the Roth IRS rules through December 31, 2007. There are no additional ongoing costs for the administration of the Roth 401(k).

_____/_____
Plan Sponsor Signature Date

_____/_____
Plan Trustee Signature Date

_____/_____
The Pension Specialists, Ltd. Date