

QUALIFIED PLAN DESIGN

FOR

Salmon Enterprises

PENDEAS - Pension Ideas Illustration System
Defined Contribution New Comparability Plan Sample Reports

PREPARED BY:

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DATE PREPARED: 03/01/2010



Salmon Enterprises

**PS/NC/MG: NON-INTEGRATED/NON-INSURED
PROPOSAL AS OF 12/31/2010
EMPLOYEE CENSUS**

Employees Eligible to Participate in the Plan

Employee Name	Sex	Ages			Dates				Annual Compensation	KHPS
		Hire	Curr	Ret	Birth	Hire	Participation	Retirement		
Char, A	M	43	66	70	05/20/1945	05/10/1988	01/01/2010	01/01/2015	225000	KHP1
Salmon, A	M	25	54	65	03/15/1957	01/01/1982	01/01/2010	01/01/2022	150000	KHP1
Vardon, D	F	20	30	65	07/19/1980	04/15/2000	01/01/2010	01/01/2046	75000	2
Trout, C	F	18	40	65	12/15/1970	10/01/1988	01/01/2010	01/01/2036	20000	0
Trout, R	F	40	50	65	08/05/1960	02/16/2000	01/01/2010	01/01/2026	30000	0
Total									500000	
Key Total									375000	
Key %Total									75%	

K indicates an IRC416 Key employee

H indicates an IRC414 Highly Compensated employee

P indicates a preferred employee

Anticipated Plan Effective Date: 01/01/2010

Client Business Type: Regular C Corporation

Plan Design Description: PS/NC/MG: NON-INTEGRATED/NON-INSURED

Plan Design Id: DPSNCMG

Budget: 60,000.00

S indicates membership in a census subgroup

Census Subgroup	Subgroup Allocation
0	Minimum
1	\$53500.00
2	5.50%Pay



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PLAN PROVISIONS AND ASSUMPTIONS
PROPOSAL AS OF 12/31/2010**

Plan Effective Date

January 1, 2010

Plan Participation Eligibility

Minimum Age: 21.0

Minimum Service: 12 months with the required number of hours of service

Timing: Plan entry date coincident with or following the 'satisfaction date'.

Entry date: 01/01

Retirement Eligibility

Minimum age: 65 years

Minimum participation: 5 years

Minimum age and participation required

Timing: Plan anniversary nearest attainment of retirement age

Retirement Benefit Normal Form

Life Annuity

Defined Contribution Formula

Plan Sponsor Profit Sharing Contribution: Allocation to Plan-sponsor-selected Groups

Allocation of 4.76%Pay to Census Subgroup #0

Allocation of \$53500 to Census Subgroup #1

Allocation of 5.5%Pay to Census Subgroup #2

Plan Sponsor Profit Sharing Contribution Allocated: \$60,005 [12% Of Pay]

Pre-Retirement Death Benefit

Investment Fund Value

Top Heavy

Top Heavy

IRC416 Minimum Contribution: 3.00% of Pay

Compensation

Maximum Compensation: Up To \$245,000 Considered

Accrued Benefit

Accumulation of Contributions to Date

Pre-retirement Assumptions

Return on Fund: 8.50%



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Retirement Assumptions

Interest: 8.50%

Mortality: 1984 Unisex Pension (UP-84)

Pre-Retirement Actuarial Equivalence Assumptions

Interest: 8.50%

Mortality: NONE

Retirement Actuarial Equivalence Assumptions

Interest: 8.50%

Mortality: 1984 Unisex Pension (UP-84)

IRC417(e) Assumptions

Interest:

First 5 years: 0.00%

Next 15 years: 0.00%

After 20 years: 0.00%

Mortality: NONE



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PROPOSAL AS OF 12/31/2010
BENEFITS AND CONTRIBUTIONS**

Participant Name	Annual Compensation	Anticipated Benefits			Contribution		H
		Monthly Retirement	Lump Sum		\$Amount	%Pay	
			Retirement	Death			
Char, A	225,000	2,263.43	190,204	32,100	32,100	14.3%	H
Salmon, A	150,000	4,384.35	418,354	21,400	21,400	14.3%	H
Vardon, D	75,000	9,081.82	866,585	4,125	4,125	5.5%	
Trout, C	20,000	861.56	82,210	952	952	4.8%	
Trout, R	30,000	473.39	45,171	1,428	1,428	4.8%	
TOTAL	500,000			60,005	60,005	12.0%	
HC Employees	375,000			53,500	53,500	14.3%	H
%Total to HC	75.0%			89.2%	89.2%		H

H indicates a highly compensated employee defined by Internal Revenue Code Section 414.

The illustrated benefits and current contributions are estimates. Illustrated benefits may not be guaranteed. The values illustrated depend on accurate sponsor and census data and the assumptions selected. Availability of the monthly retirement benefit commencing at the retirement date or the lump sum at retirement depend on the plan provisions.



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PS/NC/MG: NON-INTEGRATED/NON-INSURED
PLAN CONTRIBUTIONS
PROPOSAL AS OF 12/31/2010

Plan Effective Date

January 1, 2010

Plan Participation Eligibility

Minimum Age: 21.0

Minimum Service: 12 months with the required number of hours of service

Timing: Plan entry date coincident with or following the 'satisfaction date'.

Entry date: 01/01

Retirement Eligibility

Minimum age: 65 years

Minimum participation: 5 years

Minimum age and participation required

Timing: Plan anniversary nearest attainment of retirement age

Plan Contribution

1st Year Amount \$60,005

Allocation Based On Membership In Census Groups

Participant Name	Ages		Service			Compensation		1st Year Contribution			
	A	RA	P	F	T	\$Amount	%Total	\$Amount	%Total	%Pay	
Char, A	66	70	23	4	27	225,000	45.0%	32,100	53.5%	14.3%	H
Salmon, A	54	65	29	11	40	150,000	30.0%	21,400	35.7%	14.3%	H
Total HC						375,000	75.0%	53,500	89.2%	14.3%	H
All Participants						500,000	100.0%	60,005	100.0%	12.0%	

H indicates a highly compensated employee defined by Internal Revenue Code Section 414.

Age: A is age as of the end of the plan year and RA is age as of the anticipated retirement date

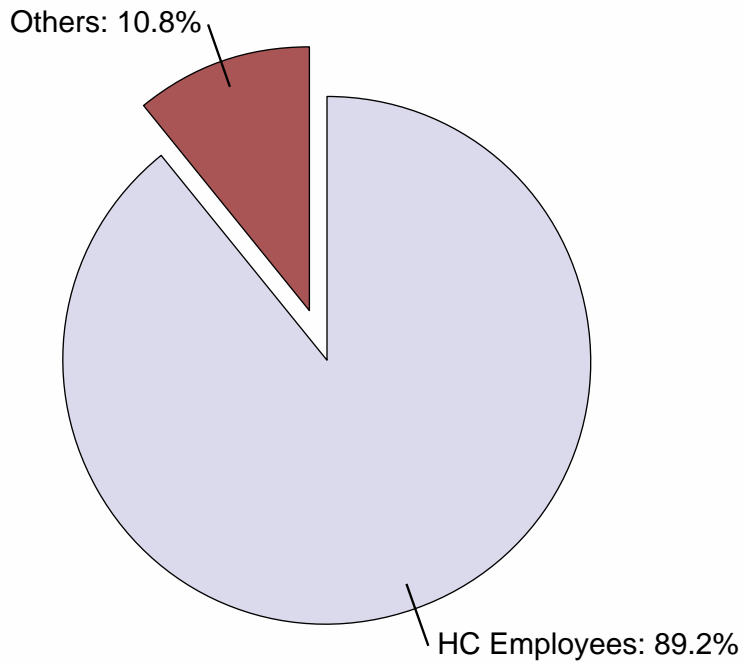
Service: P is past service, F is anticipated future service and T is anticipated total service at retirement



Salmon Enterprises

PS/NC/MG: NON-INTEGRATED/NON-INSURED
PLAN CONTRIBUTIONS
PROPOSAL AS OF 12/31/2010

Plan Contributions



The illustrated initial contributions are estimates which depend on accurate sponsor and census data and the assumptions selected.



Salmon Enterprises

**PS/NC/MG: NON-INTEGRATED/NON-INSURED
IRC401(a) Non-Discrimination Test Summary
PROPOSAL AS OF 12/31/2010**

Test Description	Test Basis	Test Status
70% Ratio Percentage	Current Allocation	Fail
Non-Discriminatory Classification	Current Allocation	Fail
Average Benefits Percentage	Current Allocation	Fail
70% Ratio Percentage	Current Equivalent Benefit	Fail
Non-Discriminatory Classification	Current Equivalent Benefit	Pass
Average Benefits Percentage	Current Equivalent Benefit	Pass
Minimum Contribution Gateway	N/A	Pass

The Non-Discriminatory Classification and Average Benefits Percentage tests must both pass if they are used to satisfy the IRC401(a) non-discrimination rules, so if either test fails the associated test result is not relevant.



Salmon Enterprises

**PS/NC/MG: NON-INTEGRATED/NON-INSURED
70% Ratio Percentage Test and Non-Discriminatory Classification Test
Equivalent Benefit Test Basis
PROPOSAL AS OF 12/31/2010**

Equivalent Benefit Accrual Rate% Detail For Employees Included In The Test

Employee		Ages		Annual Comp.	Tested Allocation			PV\$1 at VA	H C	S G
Name	Id	VA	TA		\$Amount	%Pay	Ebar%			
Char, Arctic	###-##-0001	66	70	225000	32100	14.27%	2.82%	60.64	H	1
Salmon, Atlantic	###-##-0002	54	65	150000	21400	14.27%	4.40%	38.88	H	1
Vardon, Dolly	###-##-0003	30	65	75000	4125	5.50%	12.03%	5.49		2
Trout, Cutthroat	###-##-0004	40	65	20000	952	4.76%	4.60%	12.41		0
Trout, Rainbow	###-##-0005	50	65	30000	1428	4.76%	2.04%	28.06		0
Totals				500000	60005					

Annual compensation is illustrated.

Ebar% is the equivalent benefit accrual rate (as a percentage of compensation) used in the test. The Equivalent Benefit Accrual Rate% (EBAR%) is computed as 100 times the ratio of the applicable allocation (projected to the testing age and converted to an annual annuity benefit commencing at the testing age) to the current annual compensation.

PV\$1 at VA is the present value, as of the valuation age, of \$1 of single life annuity commencing on the testing age using the plan's actuarial equivalence assumptions.

VA is the age on the valuation date, 12/31/2010. **TA** is the testing age.

HC indicates IRC414(q) highly compensated status. **NHC** indicates non-highly compensated status.

SG indicates members of plan-specified census subgroups.

Testing age is the normal retirement age, or if greater the current age of the plan participant.

Pre-Retirement Actuarial Equivalence Assumptions

Interest: 8.50%

Retirement Actuarial Equivalence Assumptions

Interest: 8.50%

Mortality Table: 1984 Unisex Pension (UP-84)



Salmon Enterprises

**PS/NC/MG: NON-INTEGRATED/NON-INSURED
70% Ratio Percentage Test and Non-Discriminatory Classification Test
Equivalent Benefit Test Basis
PROPOSAL AS OF 12/31/2010**

HC Rate Group Detail

Highly Compensated Rate Group%	HC EEs		NHC EEs		NHC/HC Ratio%	Results	
	#In Rate Group	%Total HCEEs	#In Rate Group	%Total NHCEEs		R	N
2.82%	2	100.00%	2	66.67%	66.67%	F	P
4.40%	1	50.00%	2	66.67%	133.33%	P	P

The **Results R** column indicates the 70%Ratio test result for the rategroup. The **Results N** column indicates the NDC test result for the rategroup. P indicates pass and F indicates fail for the rategroup.

70% Ratio% Test Minimum Passing% [Applicable to each HC rate group]	70.00%
The 70% Ratio Percentage Test is not satisfied [The NHC/HC Ratio% is less than 70% for at least one HC rate group]	Failed
#Highly Compensated Employees included in test	2
#Non-Highly Compensated Employees included in test	3
Non-Highly Compensated Concentration%	60.00%
Safe Harbor%	50.00%
Unsafe Harbor%	40.00%
Mid-point%	45.00%
#Benefiting Highly Compensated Employees	2
#Benefiting Non-Highly Compensated Employees	3
Minimum Passing% [Applicable to each HC rate group]	45.00%
The Non-discriminatory Classification Test is satisfied [The NHC/HC Ratio% is at least the NDC Minimum Passing% for each HC rate group]	Passed

Since the 70%Ratio% test did not pass and the Non-discriminatory Classification test did pass, to satisfy the IRC401(a) non-discrimination rules it is also necessary that the Average Benefit% test pass.

Generally, the IRC401(a) non-discrimination tests must be performed annually.

The effects on the testing of associated plans, if any, of the same sponsor are not considered.



Salmon Enterprises

**PS/NC/MG: NON-INTEGRATED/NON-INSURED
Average Benefit Percentage Test
Equivalent Benefit Test Basis
PROPOSAL AS OF 12/31/2010**

Equivalent Benefit Accrual Rate% Detail For Employees Included In The Test

Employee		Ages		Annual Comp.	Tested Allocation			PV\$1 at VA	H C	S G
Name	Id	VA	TA		\$Amount	%Pay	Ebar%			
Char, Arctic	###-##-0001	66	70	225000	32100	14.27%	2.82%	60.64	H	1
Salmon, Atlantic	###-##-0002	54	65	150000	21400	14.27%	4.40%	38.88	H	1
Vardon, Dolly	###-##-0003	30	65	75000	4125	5.50%	12.03%	5.49		2
Trout, Cutthroat	###-##-0004	40	65	20000	952	4.76%	4.60%	12.41		0
Trout, Rainbow	###-##-0005	50	65	30000	1428	4.76%	2.04%	28.06		0
Totals				500000	60005					

Annual compensation is illustrated.

Ebar% is the equivalent benefit accrual rate (as a percentage of compensation) used in the test. The Equivalent Benefit Accrual Rate% (EBAR%) is computed as 100 times the ratio of the applicable allocation (projected to the testing age and converted to an annual annuity benefit commencing at the testing age) to the current annual compensation.

PV\$1 at VA is the present value, as of the valuation age, of \$1 of single life annuity commencing on the testing age using the plan's actuarial equivalence assumptions.

VA is the age on the valuation date, 12/31/2010. **TA** is the testing age.

HC indicates IRC414(q) highly compensated status. **NHC** indicates non-highly compensated status.

SG indicates members of plan-specified census subgroups.

Testing age is the normal retirement age, or if greater the current age of the plan participant.

Pre-Retirement Actuarial Equivalence Assumptions

Interest: 8.50%

Retirement Actuarial Equivalence Assumptions

Interest: 8.50%

Mortality Table: 1984 Unisex Pension (UP-84)



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Average Benefit Percentage Test
Equivalent Benefit Test Basis
PROPOSAL AS OF 12/31/2010**

Average Benefit Percent Test Values	
#Highly Compensated Employees included in test	2
#Non-Highly Compensated Employees included in test	3
Minimum Passing Percentage	70.00%
[The Passing Percentage is applicable on a plan-level]	
Average Equivalent Benefit Accrual% for HC EEs	3.61%
[(Sum of HC Equivalent Benefit Accrual%s) / #HC EEs]	
Average Equivalent Benefit Accrual% for NHC EEs	6.22%
[(Sum of NHC Equivalent Benefit Accrual%s) / #HC EEs]	
Average Equivalent Benefit Accrual% Ratio%	172.30%
[100 x NHC Average Equivalent Benefit Accrual% / HC Average Equivalent Benefit Accrual%]	
The Average Benefit% test is satisfied	Passed
[The Average Equivalent Benefit Accrual% Ratio% is at least 70%]	

Generally, the IRC401(a) non-discrimination tests must be performed annually.

The effects on the testing of associated plans, if any, of the same sponsor are not considered.



Salmon Enterprises

**PS/NC/MG: NON-INTEGRATED/NON-INSURED
Minimum Contribution Gateway Test
PROPOSAL AS OF 12/31/2010**

Allocation Detail For Employees Included In The Test

Employee		Compensation		Tested Allocation			H C
				\$Amount	%Compensation		
Name	Id#	Testing	IRC415		Testing	IRC415	
Char, Arctic	###-##-0001	225000	225000	32100	14.27%	14.27%	H
Salmon, Atlantic	###-##-0002	150000	150000	21400	14.27%	14.27%	H
Vardon, Dolly	###-##-0003	75000	75000	4125	5.50%	5.50%	
Trout, Cutthroat	###-##-0004	20000	20000	952	4.76%	4.76%	
Trout, Rainbow	###-##-0005	30000	30000	1428	4.76%	4.76%	

Minimum Contribution Gateway Test Results

1	Highest HC Allocation as %Testing Compensation	14.27%
2	33.33% of the Highest HC Allocation as %Testing Compensation	4.76%
3	Lowest NHC Allocation as %Testing Compensation	4.76%
4	Lowest NHC Allocation as %IRC415 compensation	4.76%
5	The Minimum Contribution Gateway Test is satisfied	Passed
	[(3) is not less than (2)]	

The Minimum Contribution Gateway Test is required because the beginning of plan year is after 12/31/2001 and the plan design tests non-discrimination on a equivalent benefit basis.

HC indicates IRC414(q) highly compensated status and NHC indicates non-highly compensated status.

The allocation includes the plan sponsor's current and year-to-date contributions, including IRC401(a) regular profit sharing contribution, reallocated forfeitures (if any) and IRC401(k) qualified non-elective contribution (QNEC) contribution (if any).

Testing compensation is Plan Compensation

Generally, the IRC401(a) non-discrimination tests must be performed annually.

The effects on the testing of associated plans, if any, of the same sponsor are not considered.

