

Convo 401(k) Enrollment

Convo is proud to sponsor a 401(k) plan for eligible employees. We will match up to 25% of your 4%!

This 401(k) description will walk you through the basics of your plan and provide you with information to start contributing to your plan.

Have you ever looked at your pay stub and wished that so much of your hard-earned money didn't have to go to taxes? Do you wish you could redirect some of that money back into your own pocket? That's what a 401(k) allows you to do! It allows you to save money without being taxed on it until withdrawal or retirement. Not only are your deposits not taxed now, but your money also grows tax-deferred. This is what's commonly called pre-tax savings, and it's available to you.

A 401(k) plan is:

- A pre-tax saving account
- A tax-deferred savings account
- Automatic – your contributions are deducted from your salary
- Your 401(k) plan includes a Roth feature. As a result, you can
 - Use after-tax contributions to fund tax-free retirement income
 - Start making Roth contributions at any time
 - As to whether this Roth option makes sense for you, you can consult with Danny Lacey at danny@kramerfinancial.com

There are many reasons why a 401(k) plan should be important to you, the most important one being the standard of living you want to maintain after work. As most companies no longer offer pension plans and Social Security may provide only a small portion of your retirement income needs, the time to start saving for retirement is now.

Your responsibilities are;

- To decide whether you wish to contribute
- To learn more about investing
- To choose how much you want to save
- To build your 401(k) portfolio by choosing and monitoring your investments

Convo's responsibilities are:

- To give you a wide range of investment choices
- To provide you with investment education
- To offer easy access to your 401(k)

Other **reasons** to take advantage of your 401(k) plan now are;

- Pre-tax savings and Convo match
- Tax-deferred compounded growth
- Waiting to save can cost you
- Greater benefits than an IRA
- Ability to take out a loan

A 401(k) is the most simple and effective retirement vehicle available to you.

Here are some strategies to make the most out of your plan:

- Save the most that you can, the maximum if possible
- If you feel it is hard to begin saving, adopt **1-10 strategy**. Start with 1% contribution, and then increase 1% each year until you reach 10% in 10 years.
- Know your objectives and stick to them
- Re-evaluate your 401(k) and investment strategy as your personal situation changes
- Keep it simple and easy to track by putting it all under one roof (if you have a 401(k) account at a previous employer, you can roll it over into your current 401(k) plan).
- Inform and educate yourself about your investment options.
 - Danny Lacey is available to meet with you. Upon request, Danny will guide you through investment options. There are **three ways** to make an investment decision, and you can decide which one makes the most sense to you:
 - **Do it yourself** – You feel comfortable to do research and make your own choices.
 - **Do it with expert advice** – Danny will review your time horizon, long-term goals and expectations, short-term risk attitude. This discussion can be done through videophone, VRS, or in person. This discussion can lead to creating your customized investment allocation.
 - **Do it for me** – You feel you don't have time to do research. You want to let professional managers allocate the funds for you. In this case, you can select one of the Russell Allocation Models.

READY TO ENROLL?

Step 1: Visit <https://benefits.paychex.com>

Step 2: Select Register for a new account under the New Users heading. Once registration is complete, click Retirement Services located on the left menu. Click Enroll Now when prompted.

Step 3: Determine the amount of your gross pay you want to contribute to your plan.

Step 4: Select your investments in 1% increments, making sure they total 100%.

This enrollment information is available on page 5 of the brochure (Plan for your future).

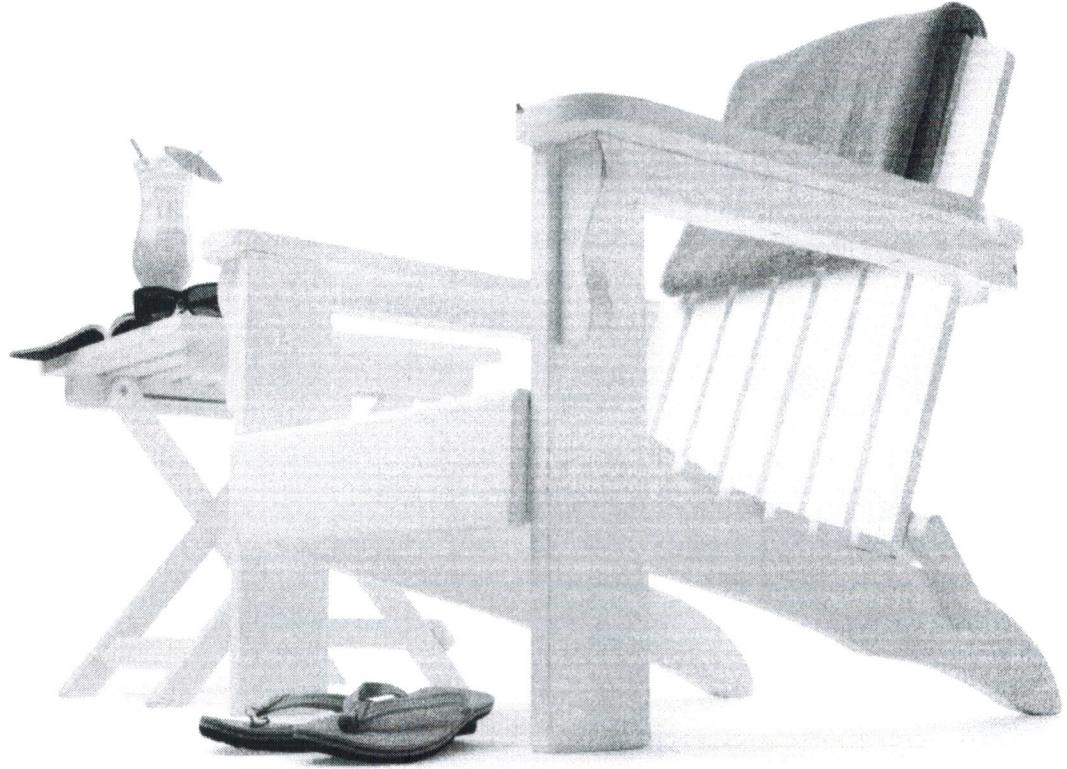
If you have any additional questions please don't hesitate to contact Danny Lacey of Kramer Financial:

Email: Danny@kramerfinancial.com

Voice: [512-410-1257](tel:512-410-1257)

Fax: [512-692-2990](tel:512-692-2990)

VP: [512-410-0739](tel:512-410-0739)



Retirement Planning

INVEST IN YOUR FUTURE

PAYCHEX[®]



What are your dreams for retirement — travel, vacations, time with family? Make sure you've saved enough to reach your retirement goals. Planning today for what you want tomorrow, will help you reach those goals. You have an opportunity to achieve your dreams.

Your Retirement...

What Are Your Dreams?

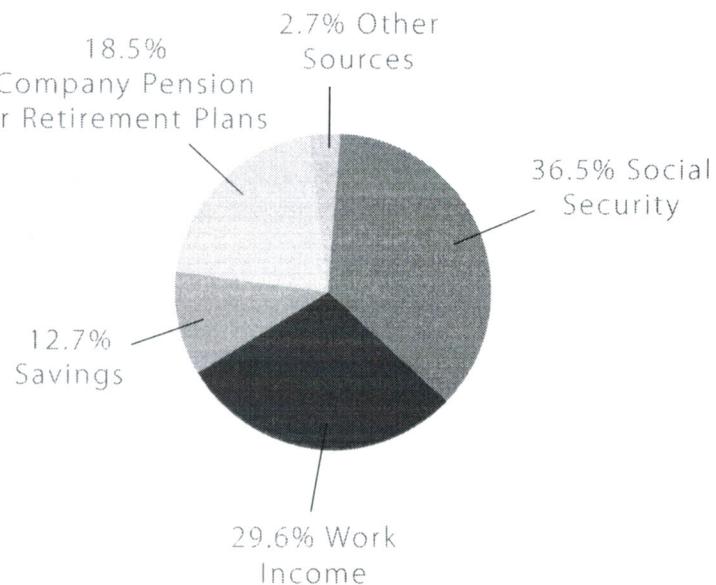
You have dreams and goals for your future. Having the financial security to reach those goals is up to you. The decision to save, plan, and invest now can determine what goals you will achieve and what freedoms you will enjoy as you grow older. You have the opportunity to begin your 401(k) savings plan today.

Living Longer-Saving Enough

Today we are living longer, healthier lives. Having enough money saved to last your lifetime is all about planning. Social security can be a significant source of income, but is it enough and will it be there when you need it? Social security is really meant as a supplement to your retirement income. Almost 60% of your income in retirement will be left up to you.

Social security, some pensions, and annuity payouts do not grow with inflation. Smart planners know that they will need other forms of income, especially for the long term. A 401(k) retirement plan can help. 401(k) savings can protect your purchasing power in retirement.

Sources of Retirement Income*



*Represents typical income sources breakdown for a current retiree
Source: Social Security Administration 2010

Your Future Plan...

Planning Ahead

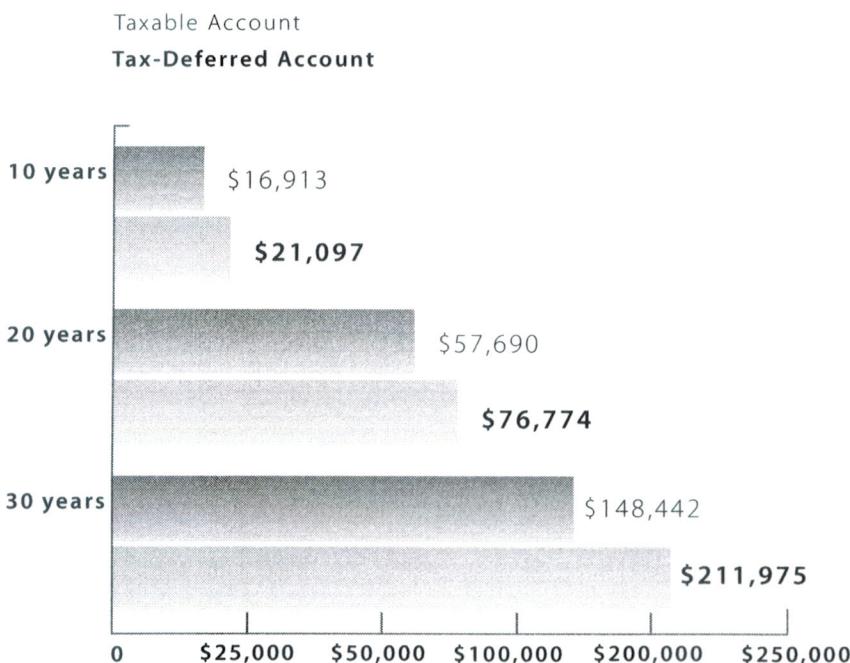
Planning now for your retirement will provide you the best opportunity to reach your financial goals. The sooner you begin saving or contributing to a retirement savings plan, the better your chance of growing your investment over time.

Tax Advantages

The contributions you make to your company's 401(k) plan are deducted from your pay before taxes are withheld. As a result, your taxable income is reduced and you pay less in current taxes. The money you have invested can also grow without being reduced by current taxes. This potential growth in savings is not taxed until the money is withdrawn, and is called tax-deferred compounding. The following chart shows the benefit of tax-deferred compounding.

The Benefit of Tax-Deferred Compounding

Savings of \$100 per month



This graph compares the growth of \$100 per month (adjusted for inflation over time) contributed to a tax-deferred retirement account and the same amount contributed to a taxable account. Balance in the tax-deferred account will be subject to income taxes on withdrawal. Assumes 8% annual return, 4% annual wage inflation, and 15% federal tax rate. From the taxable account, taxes are taken monthly on deposits and annually on gains.

* Deferrals are subject to FICA tax.

Acting Sooner Can Pay Off

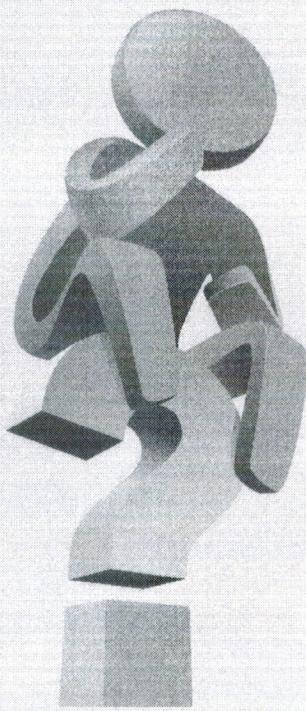
At Age 67
\$428,340
Investing
Starts at Age 23

At Age 67
\$190,352
Investing
Starts at Age 33

A decade makes a difference. In this example, starting an investment just ten years earlier can make a difference of almost \$240,000.

This is the result of a \$1,200 per year, tax-deferred investment that assumes an 8% annual growth rate.

By investing early, you can make a large difference in the amount you have saved by retirement age. It's never too soon to begin planning; the important thing is to get started.



You must decide the amount of savings that is right for you. You can sometimes reduce your overall risk by spreading your contributions out over different types of investments. Talk to your company's financial advisor for guidance.

Your Savings Goal...

What Amount of Savings Is Right for You?

Investing even a small amount of your pay can make a difference at retirement. Only you can determine your personal savings goal and how much you are willing and able to contribute to your 401(k) plan each year. You can change the amount you elect to defer throughout the year if necessary.

Growth and Risk

Every investment carries some risk. Understanding the types of investments offered through your plan will help you to make smarter choices about how much and where to begin investing.

Understanding Investments

Type of Investments	Description
Cash Equivalent / Money Market Funds	Money market funds seek to maintain a stable net asset value by investing in the short-term, highgrade securities sold in the money market.
Bonds / Fixed Income Funds	A fund that invests primarily in bonds. Bond funds generally emphasize income over growth, and can generate either taxable or tax-free income.
Stock / Funds Equities	A fund that invests primarily in stocks.

Diversify

Diversification means spreading your money across different types of investments to reduce your overall risk. Differing types of investments do not always perform the same way at the same time. You can smooth the ups and downs of market cycles by diversifying.

If you want to contribute this percent of your annual salary

Annual Salary	3%	5%	8%	10%	15%
	your monthly contribution will be:				
\$20,000	\$50	\$83	\$133	\$167	\$250
\$30,000	\$75	\$125	\$200	\$250	\$375
\$40,000	\$100	\$167	\$267	\$333	\$500
\$50,000	\$125	\$208	\$333	\$417	\$625
\$60,000	\$150	\$250	\$400	\$500	\$750

Your Opportunity...

GuidedSavings

Knowing how to make investment choices that will support your short- and long-term financial goals is difficult. To help you with those decisions, Paychex has partnered with investment advisor GuidedChoice to provide an online tool called GuidedSavings*. GuidedSavings* provides plan advice based on your personal data, and is designed to chart what may be the most effective path toward your retirement. Through appropriate asset allocation, GuidedSavings will develop a portfolio that can maximize your expected level of return based on a level of acceptable risk defined by you.

*The GuidedSavings service is an option elected by your plan administrator. If you cannot access the tool, contact Paychex or your plan administrator to verify its availability.

After registering for the Paychex Retirement Services website at <https://benefits.paychex.com>, simply click **Sign up now** (using the GuidedSavings icon) to take advantage of this service.

The Saver's Credit

You may also be eligible for added savings through the "Saver's Credit" — ask your tax professional if you qualify. The credit is generally a portion of the eligible contributions you make to a retirement plan or IRA, and favors low-income individuals. You may be able to take a credit of up to \$1,000, or \$2,000 if filing jointly.

The credit is available to the following individuals:

Filing Status Of	Income Up To
Single/Married Filing Separately/Qualifying Widow	\$28,750
Head of Household	\$43,125
Married Filing Jointly	\$57,500

To claim the credit, you must have been born before January 2, 1993, not have been a full-time student during the calendar year, and not claimed as a dependent on another person's return.

For more information, visit the IRS website at www.irs.gov or contact your tax professional.



Current legislation, like the Saver's Credit, make this a great time to review your retirement plan options. By putting aside just a small percentage today, you better the chances of your savings growing over time.

Your Time Is Now...

You Can Enroll Today... Here's How



Enrolling in your plan has never been easier. With the Paychex Retirement Services website, you can enroll with the click of a button. Review the investments in your plan and choose the amount you want to invest. Our website will walk you through the steps.

STEP 1

Visit <https://benefits.paychex.com> to complete your enrollment.

STEP 2

Select Register for a new account under the New Users heading. Once registration is complete, click Retirement Services, located on the left menu. Click Enroll Now when prompted.

You can also enroll by calling the automated Paychex Employee Services phone line at 877-244-1721, Option 1. Please have your social security number handy.

STEP 3

Determine the amount of your gross pay you want to contribute to your plan.

STEP 4

Select your investments in 1% increments, making sure they total 100%.

Fund information is included on the website. Paychex is not licensed to provide fund advice.

The screenshot shows the Paychex Employee Services login page. On the left, there's a sidebar with links for 'New Users', 'Forgot User Name, Password, or Image', 'System Requirements', 'Site Access FAQs', and copyright information. The main area has fields for 'User Name' and 'Password'. To the right, there's a link for 'New User? Register for a new account.' Below the password field is a 'Where do I enter my SSN?' link and a 'Forgot Username, password or Image?' link. At the bottom, there's a 'Select image:' section with a checkbox for saving the image and a grid of 49 icons for a CAPTCHA challenge.

The enclosed fund slicks outline the current fund options available in your plan. Please review these materials to help in your investment decisions.



<https://benefits.paychex.com>

Paychex Employee Services

877-244-1771