



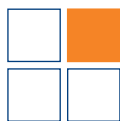
**VAN KAMPEN**  
INVESTMENTS



**ING**



FOR FINANCIAL PROFESSIONAL USE ONLY AND MAY NOT BE USED WITH THE GENERAL PUBLIC.



# Communicate

## Plan Design Supplement Includes:

- Introduction to Plan Design
- Plan Design as a Sales Opportunity
- Suggested Phone Scripts
- Sample Prospecting Letters
- Sample Follow-Up Communications

## Communicate: Plan Design

Targets<sup>SM</sup> Plus provides tools to help you rethink retirement and evaluate which type of plan design might best accommodate a sponsor's needs. By effectively communicating your findings, you'll demonstrate your consultative approach, which can help position yourself to close the sale. The Plan Design supplement includes:

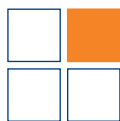
- Targets Plus Plan Design Guide: Safe Harbor and Highly Compensated Employee definitions
- 2007 IRS definitions and limits
- Phone scripts
- Additional prospecting strategies, including enhanced participant communications
- Prospecting letters
- Follow-up communications

## Growing a Successful Defined Contribution Business...

can be a time-consuming, labor-intensive proposition. But once achieved, you can potentially reap tremendous long-term benefits, such as a larger book of business and a more stable stream of income. Establishing this ideal business model requires a comprehensive, strategic plan...a plan such as Targets Plus.

### Consider This:

Seek to partner with a retirement plan provider that offers solutions for all plan types and sizes.



## Targets Plus: A Plan to Cultivate an Ongoing Dialogue With Sponsors

The Targets Plus program taps into the seasonal nature of defined contribution prospecting and sales to help you address sponsor concerns at the precise moment these issues are most relevant. A critical feature of Targets Plus is its progressive chain of sales ideas that enables consistent follow-up with prospective sponsors. In the first segment of the Targets Plus communication plan, you completed the most difficult phase of the program: building a coherent database of qualified plan sponsor prospects. To expand these efforts, focus on capitalizing on two critical events in the plan cycle: annual discrimination testing, and annual Profit Sharing contributions. Both events most likely occur by March 15th, so these topics will still be recent and relevant to plan sponsors.

This installment of Targets Plus will help you address the various hot-button concerns that sponsors struggle with during this time of the year. On the following pages, you'll find a host of communications and prospecting tools, including letters and phone scripts. Targets Plus also helps you stay current on industry regulations and provides guidelines to assist you in conversations regarding annual discrimination testing and additional plan design ideas. Your goal this quarter, is to leverage your ongoing dialogue with prospective plan sponsors to secure an in-person meeting with key decision makers.

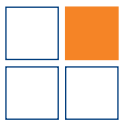
## Failed Discrimination Tests May Provide Sales Opportunities

Annual discrimination testing—Actual Deferral Percentage (ADP) and Actual Contribution Percentage (ACP) testing—is a major event for most plans. Not only do these tests frequently dictate how much top employees are allowed to set aside as tax-deferred contributions, but they also impose fines and other penalties to companies that fail the tests. Any prospect who fails these tests—or has difficulty passing or administering the tests—is a natural takeover candidate. In a 401(k) plan, where the company contribution is frequently dependent upon the deferral rate chosen by each participant, these tests generally ensure that Highly Compensated Employees (HCEs) contribute no more than 2% of compensation above and beyond the aggregate deferral rate of non-Highly Compensated Employees (non-HCEs). Thus, sponsors aim to raise deferral rates among non-HCEs as much as possible, or seek alternative plan design structures that help eliminate this cap on HCE deferrals.

To help you prepare for these sales calls, we provide an at-your-fingertips review of the various plan design options that may be appropriate for your clients and their various needs. Remember, a well-designed plan can lead to long-term client satisfaction and retention. Once you feel comfortable discussing these issues, utilize the Targets Plus prospecting letters, phone scripts and follow-up communications to assist your sales efforts. These materials can be found beginning on page 10.

### Consider This:

Generally, plan sponsors must complete their annual tests by March 15th to avoid penalties. Offering free plan design evaluations provides an ideal moment to demonstrate your value and technical retirement plan knowledge to prospective clients. Safe Harbor, Age-weighted and New Comparability plans may provide solutions for some sponsors (see page 6 for more details).



## Additional Prospecting Ideas

Two additional solutions may help plan sponsors resolve their participation and deferral issues. Both offer exciting options to prospective clients and are designed to encourage greater participation and/or contributions among all plan participants.

### Automatic Plan Enrollment

Government legislation and favorable Department of Labor (DOL) guidance has created this option in recent years. According to the Retirement Survey Project, adding the automatic enrollment feature to a company plan has been found to increase plan participation among new hires from 49% to 86%.<sup>1</sup>

How does it work? Typically, employers provide files of all eligible participants to plan recordkeepers. The employees are automatically enrolled in the plan with a default investment. While we are awaiting final DOL regulations on what constitutes an acceptable default fund, proposed regulation issued in 2006 identifies three types of investment products, portfolios or services. Each of the following permissible investment types is acceptable as defined under the proposed regulations:

- Life cycle or target-date retirement fund or account;
- Balanced fund; or
- Professionally managed account.

Employees always have the option to complete forms (provided at enrollment) indicating that they opt out of the plan.

### Enhanced Participant Education

One of the greatest barriers to an employee's participation in a retirement plan is information overload. Studies have shown that participants who are presented an unwieldy number of investment options generally avoid making a decision altogether, and do not enter their retirement plan. This is aggravated by a lack of employee communications that effectively convey the importance of retirement savings and adequately explain the investment options available.

You can provide a very attractive solution to sponsors concerned about these issues by offering user-friendly materials that truly educate participants about basic investment principles, their investment options and the specifics regarding their plan. Talk to your local wholesaler about communication programs available to you.

#### Consider This:

At both the Plan Sponsor and Participant level, today's defined contribution plan faces a host of challenges, often driven by emotional and psychological factors. Partner with a plan provider that offers the products and tools that make it easy and intuitive to make the right decisions.

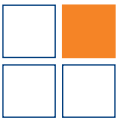
<sup>1</sup>Source: Retirement Security Project, September 2006.

## Capitalize on the March Investment Selection/Annual Profit Sharing Contribution

The second quarter is also a good time to approach sponsors about the suitability and effectiveness of their plan's current investment selection. Typically, plans make their annual Profit Sharing contribution in March, so now is the time that they are thinking about their investments. Are they satisfied with the funds they just put money into? Targets Plus provides prospecting letters and phone scripts to assist you with these discussions (Appendices). Most plans are required to perform annual reviews of their investments. This may be a good time to offer a free investment consultation during which you can propose alternate investment selections that may better address a sponsor's performance or diversification concerns.

### Consider This:

Take the complexity out of investing and encourage plan participation by offering easier investment solutions such as target-date funds, investment options that cover all asset classes, and a multi-manager platform with no proprietary fund requirements.



## Appendix I: The Targets Plus Plan Design Guide

### The Targets Plus Philosophy: Know Your Client

Experts agree that the key to effective plan design begins well before the plan document is actually written. Rather, it hinges on an intense, client-centric discovery process. It is critical for you, as the Financial Professional, to ask and learn about every client's business, needs and goals in order to craft a customized, effective plan. Much of your prospecting endeavors last quarter should serve as a good starting point for client discovery. As you progress through the Targets Plus program, continue to emphasize the discovery process. This will allow you to address each prospect's particular needs and situation and help you become the provider of choice of the products and services they need. We believe the prospecting strategies and tools of Targets Plus will help you maintain longstanding client relationships.

### Alternate Plan Design Options

This discovery process can be rewarding if you can implement a thoughtful plan document that will grow with clients who currently have difficulty passing or administering the annual discrimination tests. In crafting alternate plan designs, you have three main options:

- Safe Harbor 401(k) plans
- Age-weighted plans
- New Comparability plans

Safe Harbor 401(k) plans eliminate the need for annual testing. And, in certain instances, these plan designs eliminate the need for Top Heavy contributions. Age-weighted and New Comparability plans, on the other hand, radically change a plan and legally allow company contributions to key or Highly Compensated Employees (HCE) that would not be permissible under traditional nondiscrimination statutes. It is important to remember, however, that these three options are not a panacea for plan sponsor plan design issues. While these plan designs increase flexibility, you and your clients must carefully evaluate the pros and cons (including increased plan administration and testing), of each plan design to determine suitability.

#### Consider This:

Utilizing an experienced local TPA can offer your clients additional plan design alternatives that can maximize their contribution.

Van Kampen, ING and their financial professionals do not provide tax or legal advice. Investors are urged to consult their personal tax or legal advisors about establishing a retirement plan and the tax consequences made under a retirement plan.

## Appendix I: The Targets Plus Plan Design Guide (continued)

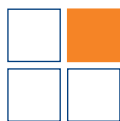
### The Safe Harbor 401(k)

Introduced in 1998, and further refined in subsequent IRS clarifications and rulings, the Safe Harbor:

- Allows HCEs to contribute up to the maximum federally-mandated deferral limits, and
- Exempts employers from many annual testing processes.

This allows highly-paid employees to take full advantage of the retirement plan and helps companies avoid the large administrative burden necessitated by the tests. However, the trade-off for the plan sponsor is a required contribution to the accounts of non-HCEs so that they receive adequate company contributions per ERISA regulations. Certain Safe Harbor contributions may also count toward Top Heavy contributions.

While every plan sponsor's needs will differ, the Safe Harbor 401(k) typically makes sense for employers who are already contributing the maximum amount and want to avoid the administrative hassle of the annual testing period. One word of caution: Safe Harbor contributions are immediately vested, so if a sponsor's workforce is fairly mobile and has high turnover rates, carefully weigh the pros and cons of the Safe Harbor 401(k).



## Appendix I: The Targets Plus Plan Design Guide (continued)

### Age-weighted and New Comparability

Age-weighted and New Comparability plans are types of profit sharing plans that allocate contributions on the basis of each participant's compensation and/or age.

These plans may be stand-alone profit sharing plans or may be combined with a 401(k) salary deferral feature. These types of plans are attractive for closely-held businesses because they allow significantly larger contributions for older or Highly Compensated Employees/owners. These plans also can be a way for larger employers to replace a defined benefit plan with a simpler and more flexible profit sharing plan that still provides essentially the same type of benefit formula as found in a defined benefit plan.

How do these plans work? Age-weighted plans figure a set retirement benefit value, and contribute greater amounts to those close to retirement age to compensate for the decreased amount of time older employees have to reach this goal. New Comparability plans figure a hypothetical maximum retirement value for each participant's total plan contributions for their current compensation. Using this figure, profit sharing allocations are distributed to reach this goal, which means that higher paid employees receive larger profit sharing allocations. Non-discrimination is determined on the basis of the future benefit received rather than the contribution made.

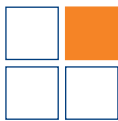
#### Consider This:

Plan participants can defer no more than \$15,500 through a 401(k) plan in 2007. Explain to business owners, partners and other key employees how they may be able to set aside up to \$45,000 in total contributions (or \$50,000 if they are over age 50 by December 31, 2007). You can validate your role as an investment professional by measuring your success in addressing plan design issues and the impact you have had on things such as annual deferral percentages and participation rates.

## Appendix I: The Targets Plus Plan Design Guide (continued)

### Summary of Plan Design Alternatives

Feature	What is it?	Benefits to Employer?	Benefits to Employee?
401(k) with Safe Harbor Non-Elective Contribution Option	3% of compensation of ALL ELIGIBLE non-Highly Compensated Employees	<ul style="list-style-type: none"> <li>• Annual ADP and ACP not required</li> <li>• Top heavy test not required if certain requirements are met.</li> </ul>	<ul style="list-style-type: none"> <li>• 3% Safe Harbor 401(k) contribution is immediately 100% vested</li> <li>• Highly Compensated Employees may defer maximum amount</li> </ul>
Safe Harbor 401(k) Matching option	Match 100% of the first 3% of compensation deferred by employees plus 50% of the next 2% deferred	<ul style="list-style-type: none"> <li>• Annual ADP and ACP not required</li> <li>• Top heavy test not required if certain requirements are met.</li> </ul>	<ul style="list-style-type: none"> <li>• Matching contribution is immediately 100% vested</li> <li>• Highly compensated employees may defer the maximum amount</li> </ul>
Age-weighted	Annual Profit Sharing contribution based on employee's age	<ul style="list-style-type: none"> <li>• Deferred vesting schedule options</li> <li>• Skewed toward older employees</li> <li>• Retain key employees</li> </ul>	<ul style="list-style-type: none"> <li>• Older employees may be granted larger proportions of Profit Sharing contributions</li> </ul>
New Comparability	Annual Profit Sharing contribution based on employee's compensation, age and classification	<ul style="list-style-type: none"> <li>• Deferred vesting schedule options</li> <li>• Sponsors can segment employees into multiple groups and allocate different Profit Sharing awards to each group</li> <li>• Retain key employees</li> </ul>	<ul style="list-style-type: none"> <li>• Select employees may be granted larger proportions of Profit Sharing contributions</li> </ul>



## Appendix II: Prospecting Letter for Takeovers— Target: Pension Protection Act of 2006

### PROSPECTING LETTER

NOTE: This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

By now you have probably heard about the Pension Protection Act of 2006 – but do you know how it has impacted your plan or how it may impact the plan in the future? This legislation, which updated defined benefit pension rules, also contains many provisions relating to defined contribution plans.

Important changes that may have the greatest impact on your plan include:

- Faster vesting of employer contributions (ERISA plans)
- EGTRRA pension reforms made permanent and selectively approved
- More frequent participant statements (ERISA plans)
- Clarification of automatic contribution rules
- Portability enhancements

I would welcome the opportunity to visit your office and help you understand and take advantage of the Pension Protection Act's many opportunities. I will call you [when] to set up this meeting.

Sincerely,

[name]

[title]

[memberships]

## Appendix II: Prospecting Letter for Takeovers— Target: Plan Evaluation

### PROSPECTING LETTER

**NOTE:** This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

Building the right retirement plan for you and your employees is the best way to maximize the benefits you provide. Wouldn't it be nice to see detailed information on industry trends or a sneak peek into what similar companies in the industry are offering their employees?

I can help make the management of your plan easier and more effective by providing a detailed report comparing your plan to those of your peers. The report captures data such as:

- Employee contribution percentages
- Employer match percentages
- Vesting schedules
- Use of target-date funds
- Average participation rates
- Average number of investment options

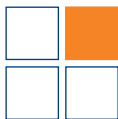
Through this report we are able to identify any gaps or areas for plan improvement. I would be happy to visit your office and provide this valuable comparison to help make your plan more effective. I will call you [when] to set up this meeting.

Sincerely,

[name]

[title]

[memberships]



## Appendix II: Prospecting Letter for Takeovers— Target: Plan Design

### PROSPECTING LETTER

NOTE: This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

By this time of year, your annual discrimination testing process should be completed or nearly finalized. Hopefully, your plan passed with flying colors, for as you know, the penalties for a failed ACP or ADP tests are extensive and expensive.

Our conversation earlier this year focused on the importance of providing the right retirement plan for you and your employees. In that vein, please remember the importance of plan design within your overall evaluation of your current plan. If the long-term needs of your company are not being fully satisfied with the design of your current plan, we should discuss the various options that can help prevent unexpected contributions or fines resulting from failed discrimination tests.

Perhaps we can further explore the structure of your business and workforce, as well as the specific needs of your company to craft a solution that may create a more effective plan design. I would be happy to visit your office and share a detailed comparison on how companies similar to yours have designed their plans. I will call you [when] to set up this meeting.

Sincerely,

[name]

[title]

[memberships]

## Appendix II: Prospecting Letter for Takeovers— Target: Investments

### PROSPECTING LETTER

**NOTE:** This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

Do you feel confident that your most recent profit sharing contribution was money well spent? Was it allocated to well-managed funds run by disciplined portfolio managers? Does your current fund selection provide ample diversification opportunities for your employees?

Our conversation earlier this year focused on the importance of providing the right retirement plan for you and your employees. If the long-term needs of your company are not being fully satisfied with your current investment options, we should discuss alternatives. I can provide a complimentary investment analysis of your plan to see if there are any gaps in your investment lineup.

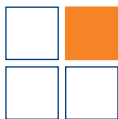
I would be happy to visit your office to offer further guidance and background on your current fund selection. I will call you to set up this meeting.

Sincerely,

[name]

[title]

[memberships]



## Appendix II: Prospecting Letter for Startups— Target: Plan Design

### PROSPECTING LETTER

**NOTE:** This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

Our conversation earlier this year focused on the importance of providing a retirement plan for you and your employees. As you may recall, we also discussed the importance of selecting the right plan for your business goals and the needs of your company.

Legally, a retirement plan can be constructed in many ways in terms of deferral limits, matching contribution amounts and much more, provided that these options conform to a set of federally established set of guidelines. If the long-term needs of your company are not taken into account, a plan that seems beneficial upon creation can encounter serious hurdles in the long term. For example, it can cost you, the employer, as much as a 10% penalty tax on excess contributions and fines levied by the federal government.

As you consider and weigh the multiple benefits of a 401(k) plan, these issues should remain foremost in your mind as they have a direct impact upon your business outside the plan. I would be happy to visit your office and share with you a detailed comparison on how companies similar to yours have designed their plans. I will call you to set up this meeting.

Sincerely,

[name]

[title]

[memberships]

## Appendix III: Phone Scripts

Full compliance of all Federal Trade Commission “Do Not Call Registry” regulations is required.

### Phone Scripts—takeovers

Hello, Mr./Mrs./Ms. This is \_\_\_\_\_ (name, title) calling from \_\_\_\_\_ (company) located in \_\_\_\_\_ (address). I am assuming that your annual discrimination testing process is completed or nearly finalized. Hopefully, your plan passed with flying colors!

During the last quarter, did you notice any step of the process that you thought could be improved? Perhaps I can offer suggestions to make it less painful. As you know, I focus on retirement plan consulting. I would be happy to visit your offices and conduct a complimentary evaluation of your plan’s design to determine if your current plan document has adequately kept up with your changing business needs. I can also provide a detailed analysis that compares your plan with similar plans in your industry.

If you would like, I can take some of the details now over the phone, so we can discuss the results in greater detail when we meet. It’s six questions, and should take about five more minutes to complete.

1. Do you match participant contributions?
2. If so, what is the amount of match provided?
3. What is the length of time before participants are 100% vested in the match?
4. What is the average participation rate among eligible employees?
5. What is the number of investment options offered in the plan?
6. Does your plan include target-date investment options?

I will be in the area on \_\_\_\_\_. Can we set up a time for this evaluation to gather additional information regarding the plan and brainstorm plan design ideas?

### Phone Scripts—startups

Hello, Mr./Mrs./Ms. This is \_\_\_\_\_ (name, title) calling

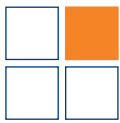
from \_\_\_\_\_ (company) located in \_\_\_\_\_ (address). When we spoke last quarter, you mentioned that you did not have a retirement plan for your company, so we discussed some of the benefits of 401(k) plans. Should you decide to move forward and create a plan, I want to be sure that we discuss ways to help avoid federal penalties that can total thousands of dollars a year.

As you know, I focus on retirement plan consulting. I would be happy to visit your office and offer you a free evaluation of the type of plan design that may be most appropriate for your business. If you would like, this evaluation would include a survey of your employees to gain an accurate estimate of anticipated employee participation in a retirement plan. This may further help you evaluate the real costs and benefits of a plan for your company. I can also provide a detailed analysis that compares your plan with similar plans in your industry.

I’d be happy to take some of the details now over the phone, so we can discuss the results in greater detail when we meet. It’s eight questions, and should take about ten minutes to complete.

1. Who drives the establishment of your plan—you or your employees?
2. What do you anticipate will be the average contribution percentage of company owners, and those earning more than \$100,000 annually?
3. How about for those earning less than \$100,000 annually?
4. Who would be eligible to participate in the plan?
5. Do you expect there to be a company matching contribution?
6. Do you want to implement a vesting schedule, or have the plan vest 100% upon entry?
7. Who should direct the investments?
8. Who will pay the plan’s expenses?

I will be in the area on \_\_\_\_\_. Can we set up a time for this evaluation to gather additional information regarding the plan and brainstorm plan design ideas?



## Appendix IV: Follow-up Communications Letter for Startups— Target: Plan Design

### FOLLOW-UP LETTER

NOTE: This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

Financial Advisors do not provide tax or legal advice. Investors are urged to consult their personal tax or legal advisors about establishing a retirement plan and the tax consequences made under a retirement plan.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

Thank you for speaking with me on [date]. As we discussed, a well-designed 401(k) plan can help enhance your company's ability to:

- Provide a tailored solution to your company's specific workforce to help ensure that all your employees have the opportunity to invest for a more secure financial future
- Maintain a competitive edge in hiring and retaining valuable employees
- Generate a tax deduction for your company's contributions to the plan

As I mentioned on the phone, I/my team focus[es] on identifying the right plan for your business. We want to help you stay current with the latest retirement industry trends and legislative changes, understand the extents and limitations of your fiduciary responsibilities and explore ways to optimize a retirement plan to your individual business needs and objectives. We have long-standing relationships with a number of world-class retirement platforms that offer:

- Fiduciary solutions providing varying levels of fiduciary support
- Dedicated local service
- Multi-manager investment platform with target-date funds
- Employee communications and services
- State of the art annual plan review and plan benchmarking technology
- Access to unbiased third-party financial advice and guidance

I look forward to our meeting on [date] at [time].

Best Regards,

[name]

[title]

[memberships]

## Appendix IV: Follow-up Communications Letter for Takeovers- Target: Sales Tests

### FOLLOW-UP LETTER

**NOTE:** This letter must be approved by your firm for use. As such, please note that it still remains your responsibility to determine the filing necessity of this document with the NASD or any other self-regulatory body, and if applicable, you agree to undertake such filing.

[To be printed on firm letterhead]

[Date]

[Prospect name]

[Address]

Dear Mr./Mrs./Ms. \_\_\_\_\_:

Thank you for speaking with me on [date]. As we discussed, many of my current clients have utilized my consultative services to enhance the structure and design of their retirement plan document.

Based on our conversation, I understand that your plan has traditionally had difficulty passing the annual tests. Did you know that many alternate plan designs are available? I think there may be a better way to customize the plan to the needs of your company's workforce. We can discuss these options during the free consultation service on [date].

As I mentioned on the phone, I/my team focus[es] on finding the right plan for your business. We want to help you stay current with the latest retirement industry trends and legislative changes, understand the extents and limitations of your fiduciary responsibilities and explore ways to optimize a retirement plan to your individual business needs and objectives. We have long-standing relationships with a number of world-class retirement platforms that offer:

- Fiduciary solutions providing varying levels of fiduciary support
- Dedicated local service
- Multi-manager investment platform with target-date funds
- Employee communications and services
- State of the art annual plan review and plan benchmarking technology
- Access to unbiased third-party financial advice and guidance

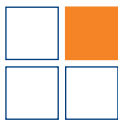
I look forward to our meeting on [date] at [time].

Best Regards,

[name]

[title]

[memberships]



## APPENDIX V: IRS Definitions and Limits

### 401(k) Contribution Limits

	2006	2007	2008
Individual annual contribution limit	\$15,000; subject to percent-of-pay limit (see below)	\$15,500; subject to percent-of-pay limit (see below)	TBD: based on the cost of living
Catch-up contributions for investors over age 50	\$5,000	\$5,000	TBD
Maximum annual total 401(k) contributions for investors over age 50	\$20,000	\$20,500	TBD
Percent-of-pay limit (415 limit)*	100% of salary or \$44,000, whichever is less	100% of salary or \$45,000, whichever is less	TBD
Maximum includable compensation limit	\$220,000	\$225,000	TBD
Low-income investors credit	<p>Low-and moderate-income investors can claim a non-refundable tax credit on the first \$2,000 in contributions. This credit is claimed on the tax return and the amount is based on adjusted gross income (AGI). This credit can be taken in addition to the standard-tax deduction allowed for 401(k) contributions.</p> <p>1. Individuals with an AGI of \$0 to \$15,000 and married couples filing jointly with an AGI of \$0 to \$30,000 may claim a 50% tax credit on their contributions.</p> <p>2. Individuals with an AGI of \$15,001 to \$16,250 and married couples filing jointly with an AGI of \$30,001 to \$32,500 may claim a tax credit of 20%.</p> <p>3. Individuals with an AGI of \$16,251 to \$25,000 and married couples filing jointly with an AGI of \$32,501 to \$50,000 may claim a tax credit of 10%.</p>	<p>\$50,000 (joint)</p> <p>\$25,000 (single)</p> <p>\$37,500 (head of household)</p>	TBD
Those who earned more, in the applicable prior year, than the amount indicated are considered Highly Compensated Employees	\$100,000 (earned in 2006)	\$100,000 (earned in 2006)	TBD

\* Includes employer contribution

## APPENDIX V: IRS Definitions and Limits (continued)

## Portability Rules

Portability	401(k) rollovers can be made directly into a new employer's 401(k), 403(b) or 457 plan
Portability of IRA contributions to employer plan	Generally allowed. Investors may roll original pre-tax IRA contributions to an employer's retirement plan, such as a 401(k), 403(b) or 457
Portability of after-tax contributions to employer retirement investment plan	Allowed
Automatic rollover to IRAs from employer plans	For workers with 401(k) balances of more than \$1,000 and not exceeding \$5,000, employers may choose to automatically roll this balance into an IRA account on the employee's behalf, unless the employee elects otherwise







Contact ING for more business building ideas.

National Support Line 1-888-238-6243

FOR FINANCIAL PROFESSIONAL USE ONLY AND MAY NOT BE USED WITH THE GENERAL PUBLIC.

Please ask your clients to consider the investment objective, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund and can be obtained by contacting you, the financial professional, or by downloading one at [vankampen.com](http://vankampen.com). Encourage them to read the prospectus carefully before investing. Van Kampen Targets<sup>SM</sup> is a service mark of Van Kampen Funds Inc.

ING Financial Advisers, LLC  
151 Farmington Avenue  
Hartford, CT 06156  
[www.ing.com/us](http://www.ing.com/us)

©2007 ING North America Insurance Corporation



Van Kampen Funds Inc.  
1 Parkview Plaza, P.O. Box 5555  
Oakbrook Terrace, IL 60181-5555  
[www.vankampen.com](http://www.vankampen.com)

Copyright ©2007. Van Kampen Funds Inc.  
All rights reserved. Member NASD/SIPC.

IT07-00085F-T02/07