

403(b) Maximum Annual Contribution for 2004: **\$19,000**

Prepared for John J. Sample

Formula for Elective Deferrals

1. 415(c) general limitation from Worksheet 1		\$40,420
2. 415(c) cap for 2004		\$41,000
3. Over Age 50 Catch Up from Worksheet 3		\$3,000
4. Add Line 3 to the <i>least</i> of Lines 1 and 2	Maximum Annual Addition*	\$43,420
5. Elective deferral limit from Worksheet 2	Basic Elective Deferral Limit	\$13,000
6. Add amount from Worksheet 4	Long Service Limit Increase	\$3,000
7. Add Lines 3, 5 and 6		\$19,000
<i>Least of Lines 4 and 7 above</i>	Maximum Amount Contributable	\$19,000

* Elective Deferrals plus Employer Contributions cannot exceed this amount.

Worksheet 1

1. Gross annual salary for most recent year of service		\$43,000
2. Pre-tax annual contributions to defined benefit plans (6.00% of Salary)		\$2,580
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	\$2,580
Subtract Line 4 from Line 1, not to exceed \$41,000	Includable Compensation	\$40,420

Worksheet 2

1. Elective deferral contribution limit for 2004		\$13,000
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	\$13,000

Worksheet 3

1. Age 50 or older catch up contribution amount for 2004		\$3,000
2. Participant's age on December 31, 2004 based on January 1, 1954 date of birth		50
	Eligible Catch Up Amount	\$3,000

Worksheet 4

1. Years of full-time service with present employer from September 1, 1988 through December 31, 2004		16.25
2. Multiply line 1 by \$5,000 (if less than 15 years of service, enter \$0)		\$81,250
3. Total prior employee elective contributions to defined contribution plans		\$63,000
4. Subtract line 3 from line 2	First Limitation	\$18,250
5. All prior year long service limit increases with <i>present employer</i>		\$3,000
6. Subtract line 5 from \$15,000	Second Limitation	\$12,000
7. Annual limit	Third Limitation	\$3,000
<i>Least of line 4, 6, and 7</i>	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)

Winston G. Bickfield (Signature)

Bickfield and Associates - PO Box 13208 - Albuquerque, NM 87192-3208
Office: (505) 275-1920 Email: wbickfield@att.net