



RETIREMENT PLANS

**EXCLUSIVELY FOR MEMBERS OF
CENTRAL ILLINOIS BUILDERS OF AGC**

As of May 1, 2006



Why a CIB Retirement Plan?

When it comes to providing our membership with great benefits, CIB fully understands how important it is offer company sponsored retirement plans. That is why we continue to partner with two of central Illinois leading institutions dedicated to the successful management of your company plan.

The following pages outline the key aspects to creating, maintaining and managing your company sponsored retirement plan. You will learn about the financial professionals of Troxell Financial Advisors (TFA) located in Springfield, Illinois. TFA provides an extensive array of services on behalf of CIB from asset allocation to wealth management and all points in between.

You will also learn about Benefits Planning Consultants, Inc. (BPC) our third party plan administrator located in Champaign, Illinois. BPC will handle many of the administrative aspects of your company sponsored retirement plan.

Together, CIB, TFA, and BPC can serve as *the resource* for your retirement plan.



**Central Illinois Builders of AGC
Retirement Plans**

**AN IMPORTANT BENEFIT
OF CIB MEMBERSHIP**

**“Making sure your company retirement plan
hits the nail on the head...”**



Customized, Local and Personal Service from Industry Professionals....Pg. 4



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Specially Discounted Plan Installation, Administration and Asset Fees...Pg. 6



Offering a Wide Range of Plan Designs Pg. 8



Limited Liability for Plan Sponsors Under ERISA Section 404(c)..... Pg. 9



Letter of Recommendation, Robert C. Nelch.....Pg. 10



We are here for you and all of your employees regarding the many aspects of servicing an effective company retirement plan...

- On-site Enrollment Meetings and Performance Reviews
- Educational Workshops
- Customized Portfolio Asset Allocation Models
- Investment Monitoring and Management
- Professionally Developed & Serviced Retirement Plans
- Individualized Participant Retirement Planning
- Plan Sponsor Fiduciary Meetings

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Securities offered through Linsco Private Ledger. Member NASD/SIPC



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When it comes to offering your employees a company retirement plan, it is critical that you start from the ground up. That is why we offer a variety of platforms, money managers, and fund families to help you custom build the plan that is best for your needs...

Platforms...

Starting with the right platform allows you to customize the unique features to your company retirement plan. Some plans are basic and allow your employees to choose from a variety of pre-selected mutual funds from a single fund family. In some cases, additional mutual fund options are incorporated to provide a greater selection and improved portfolio quality.

Other platforms offer an even greater deal of flexibility allowing your employees to:

- Pick from a larger menu of mutual funds
- Establish a Self-Directed On-line account to purchase individual stocks
- Hire a Private Money Manager who will actively manage the account

Money Managers...

Some retirement plans now allow each participant to select a Private Money Manager to actively handle their account. This type of premier service was once only available to High Net Worth Individuals, and even then, only on their personal assets...not their company retirement plans. However, consumer demand for professional management has found a new home that has been exploding ever since. Your plan, if you choose, will be able to hire some of the most respected and established Private Money Managers in the industry today.

Fund Families...

With over 10,000 mutual funds on the market today, it is not hard to see why the average retirement plan participant is so overwhelmed with their choices. Our approach is to develop asset allocation models that fit both *the age* and *the risk tolerance* of each participant. We do this by selecting from some of the most recognizable fund families.

Here is a small sample of what your CIB Retirement Plan can offer:

- | | | | |
|------------------|--------------------|---------------------|------------------|
| · AIM Advisors | · Alliance Capital | · American Century | · American Funds |
| · Fidelity Funds | · Federated | · Franklin Advisors | · Invesco Funds |
| · Janus Funds | · Oppenheimer | · DWS Funds | · Strong Funds |



Your CIB membership entitles you to significant discounts on many of the traditional costs of establishing and maintaining your company retirement plan through Benefits Planning Consultants, Inc. (BPC). With an extensive staff of over 40 highly qualified employees, BPC can provide you with seamless administration...

Members Plan – Central IL Builders of AGC 401(k) Plan Retirement

Using: Choice of American Funds Record Keeper Direct or Nationwide Resource

Prepared: May 1, 2006

Plan Document & Trust Agreement Services – One-Time: \$350

Plan Takeover Services – One-Time: Waived *

* Assumes Exit TPA Provides Participant Allocation File On Transfer

Per Plan-Year Administration & Compliance Services:

American Funds	\$800 Base Plus \$20 Per Active
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Nationwide Plans Over \$1million	\$900 Base* Plus \$24 Per Active
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* Plans Under \$1mil add	\$300 to Base
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Optional Services – Only If/As Used: Schedule A, Col 2 & 3

Explanation Of Services

Plan Document – Map current plan provisions to a non-standardized BPC prototype document; make plan design changes as desired; prepare adoption agreement, SPD, resolutions, etc.

Plan Takeover – Relay participant transfer/conversion files records from exit record keeper to new vendor to allocate transferred funds to each participant's account.

Yearly Administration – All customary and needed services and support shown in column 1 on Schedule A

Optional – If/as needed at the employer's request on Schedule A column 2. Column 3 services should not apply (for special situations and disqualified plans).



BPC continued...

ERISA Required & Related Plan Services

Annual & Ongoing Retirement Plan Administration

- Full ERISA compliance testing & reporting
- ERISA non-discrimination & coverage testing
- Determine eligibility for coverage testing
- Plan and participant level testing
- Annual financial and compliance reports
- Full tax reporting
- Signature ready IRS 5500
- 1099R & 990 reporting
- Plan amendments
- Discretionary – when requested by client
- Mandatory – as required by regulation
- Day-to-Day Plan Operating Guidance

Plan Design & Documentation

- Plan Design
- Design illustrations based on your specific census & goals
- Plan Document Services
- Adoption agreement & resolution
- Plan Disclosure Services
- Summary Plan Description & required employee notices
- IRS Services
- IRS plan determination filings – if needed or necessary
- Personalized Support
- Custom plan owner's manual

TYPES OF RETIREMENT PLANS

BPC is here to assist you with the implementation of your retirement program, including consultation on which type of plan is best for you & your employees based on your goals.

Money Purchase Plan - a Defined Contribution (DC) Plan in which the company's contributions are mandatory and are usually based solely on a participant's compensation. The maximum individual contribution is the lesser of 100% of compensation or \$44,000 for 2006. However, the maximum overall plan contribution/deduction limit is still 25% of salary.

Profit Sharing Plan - a DC Plan in which contributions each year are discretionary and cannot exceed 25% of the sum of all eligible participants payroll. It is an individual account Plan. Thus, the ultimate retirement benefit/amount is the actual account value that has been credited with contributions an investment experience through the years. There are various types of Profit Sharing Plans...each type is dependent on the contribution allocation method and plan features. Due to the flexible nature of the contribution, it is best suited for new businesses or firms whose income fluctuates from year to year. Types of Profit Sharing Plans/allocation Formulas include integration with Social Security and New Comparability ("Cross-Tested")

- **Integrated Profit Sharing Plan**

This type of allocation method is integrated with an overall retirement scheme that includes Social Security; this combination is called "permitted disparity". By providing for permitted disparity in a qualified retirement plan, the employer contribution is skewed to those higher paid employees who earn more than what is covered by Social Security.

- **New Comparability/Cross-Tested Plan**

In this type of Plan, the employer segregates the eligible employees into "non-discriminatory" categories (i.e.: job description, title, hourly vs. salaried, etc.) and designates different contribution rates for each group.

Because of the potential for discrimination in favor of "Highly Compensated Employees" this type of Plan is required to perform special tests each year to ensure that the contributions do not violate regulations. If the Plan does not pass these tests, the contribution rates for some/all groups must be adjusted. Generally each Non-Highly Compensated Employee cannot receive a contribution that is less than 5% of salary.

This type of Plan is normally designed to favor the highly compensated employees. However, it can be designed to favor any group of employees assuming the annual "non-discrimination" requirements are satisfied.

401(k) Plan - A 401(k) Plan offers participants an election to defer a portion of their salary into the Plan. The deferred funds included in taxable income until they are withdrawn from the Plan. However, amounts deferred into the Plan generally may not be distributed without penalty until the employee retires, becomes disabled, dies, or reaches age 59 1/2.

In addition to employee deferrals, the Plan may also provide for an employer contribution. This contribution may be in the form of a Matching Contribution or a Profit Sharing Contribution. Discretionary contributions may be allocated either a level percentage of pay for all, or by one of the methods listed above.



A Company sponsored retirement plan is a valuable benefit for your employees. The tax-deferral features coupled with high-quality mutual funds or other investment options can generate enthusiasm and appreciation by your employees.

However, it is also a responsibility. To get the best results, the plan needs to be designed and administered properly. The investments must be selected prudently and reviewed at least annually. At some point, it will probably be necessary to remove an under performing fund to protect your employees.

ERISA—the federal law regulating retirement plans—imposes these and other duties on employers who sponsor retirement plans, including 401(k) plans. Are you aware of your legal responsibilities? Are you satisfying them?

Navigating the complex rules for qualified retirement plans can be a daunting experience. If your company sponsors a retirement plan, the owners, officers and directors should understand their responsibilities for managing this employee benefit. To fulfill their duties, the owners, officers and directors need to be aware of their responsibilities as fiduciaries under the Employee Retirement Income Security Act (ERISA), the federal law that governs the management of retirement plans.

ERISA was enacted to protect the participants and beneficiaries of retirement and welfare plans. Persons serving as fiduciaries of those plans must follow ERISA's standards to properly perform their duties and avoid liability. While it may seem that common sense would be enough to satisfy these rules, ERISA has a higher standard of conduct for plan fiduciaries—a standard that goes beyond mere good faith efforts.

Plan fiduciaries are expected to act with the “care, skill, prudence and diligence” of a qualified and experienced person in fulfilling their duties. Fiduciaries who do not follow ERISA's fiduciary guidelines are personally responsible for violations of those rules, known as fiduciary breaches. This means that, if you commit a fiduciary breach, you may lose your personal assets, your home and your business. However, if you follow ERISA's standards, you and your employees could enjoy high quality and secure retirement benefits.

The U.S. Department of Labor and the Internal Revenue Service enforce ERISA for 401(k) and other participant directed plans. In addition, participants can “enforce” the fiduciary rules through lawsuits. Being a fiduciary isn't an easy task, but it is possible to provide an important employee benefit while avoiding unwelcome surprises from ERISA's enforcement agencies.

Our team of professionals will guide you on this important first step in the right direction by helping you:

- Understand the fiduciary rules and regulations
- Identify possible shortcomings concerning the operation of your company's plan
- Better meet your fiduciary obligations by using established procedures



Dear CIB Members:

Providing our employees with a company sponsored retirement plan has been a key component to attracting and retaining quality employees. Though the responsibility is great, we have found the rewards to be even greater.

We have worked with David Lisnek since 1999 and he has personally assisted our employees with their retirement needs. Recently, we had to update our plan and David took the lead by researching nearly a dozen possible 401(k) platforms until we found the one that was exactly what we needed.

Our new Nationwide Resource Plan is literally three plans in one. It offers our employees the freedom to pick from a wide array of highly rated mutual funds where they can either allocate their money as they wish, or they can use the custom built models designed by the team of professionals at Troxell Financial Advisors.

In addition, our participants who are more astute investors can shift a portion of their 401(k) assets into an on-line brokerage account that receives the same tax-deferred features. Here they can buy and sell most common stocks currently traded.

The third component to our Nationwide Resource Plan allows each participant the option to hire a Private Money Manager who will actively control the account with respect to what to buy, when to buy and when to sell. This exclusive feature was eagerly accepted by 100% of my employees.

Even beyond the plan features, we take great comfort in the exceptional level of service that we receive knowing that we are always ahead of the curve when it comes to complying with our Fiduciary Responsibility under ERISA's 404 (c) regulations.

David Lisnek personally documents on site meeting attendance, offers individualized retirement planning consultations, monitors account performance relative to the market, and conducts a host of additional due diligence reviews when it comes to the handling of our plan assets.

I would strongly recommend that you take the necessary steps to make sure your company sponsored retirement plan hits the nail on the head and meet with the professionals of Troxell Financial Advisors.

Sincerely,

Rob Nelch

Robert C. Nelch, President
Henry Nelch & Son Co.