

5 common myths about 401(k)s



ShareBuilder **401K**[™]

An introduction to ShareBuilder's
new small-business 401(k)

Only big companies can afford 401(k)s, not firms like mine.

It's true, for more than 20 years, big businesses have been able to offer their employees a valuable benefit that small companies like yours simply couldn't afford: a competitive 401(k) plan.

But now, those days are over.

The ShareBuilder 401(k) was created specifically for small businesses, and is a low price leader for firms with less than 50 employees (just \$15 or less per employee per month).

Frankly, with the ShareBuilder 401(k) plan, it's likely your firm will be able to save as much as half or more of what it would pay to institute a traditional plan.

Even better, there are none of those hidden broker and transaction fees that can add up so quickly with a traditional 401(k). In fact, the ShareBuilder fee structure

is so simple and transparent that you'll see at first glance exactly what the plan will cost your company, and your employees.

What's more, the ShareBuilder 401(k) plan is 100% online and completely paperless. That's one reason why it's less expensive. The other key: it's built around a diversified portfolio of exchange-traded funds (ETFs).

There are a number of benefits to using ETFs (which we'll address later) but the kicker is, ETFs are diversified investments with low operating costs, which is better for investors.

Sure, big companies may still hold an advantage in other areas, but thanks to ShareBuilder, they're not the only businesses that can afford to offer employees a competitive 401(k) plan anymore.

I don't have time to manage a 401(k).

If you think you're too busy to implement a 401(k), you probably haven't considered the ShareBuilder plan. Talk about easy-to-use.

The ShareBuilder 401(k) is 100% online, so you never have to take time out of a busy day to meet with a broker or pore over stacks of reports. With the ShareBuilder plan, you'll spend just minutes each month managing your firm's account – wherever and whenever it's convenient for you.

Your easy-to-understand statements and performance reports are all available online. Adding new Employees to the plan takes just a few minutes, and IRA rollovers can be taken care of automatically. ShareBuilder will even provide you with tax reporting and Form 5500 preparation services – for free.

What's more, there's no bulky software to learn, no complicated databases to maintain and no data security concerns. No kidding.

Plus, if you ever need help, ShareBuilder's friendly customer service specialists are standing by to offer assistance and answer any questions (call toll-free, as often as you like, free-of-charge).

Even selecting your company's 401(k) is simple. The process is totally paperless, it takes less than 20 minutes – and the online wizard helps you select the appropriate plan for your firm.

Someday, all 401(k)s will be managed this way.

If we get a 401(k), my employees will pester me for advice and help.

After implementing a 401(k) plan, the last thing you want is a bunch of employees bothering the boss for investment advice or asking the HR manager for account updates.

While some 401(k) offerings force you to fend for yourself when it comes to educating and guiding employees, the ShareBuilder plan provides every participant with unlimited no-cost access to a wide array of online financial planning tools and educational resources – all available anytime of day, and provided free-of-charge.

It all starts with ShareBuilder's totally paperless enrollment process, where participants are guided through each step by an easy-to-use online enrollment wizard that makes the traditional "enrollment meeting"

an administrative hassle from the past. There's even an online enrollment video with no-nonsense answers for all those typical questions.

Once enrolled, participants can use ShareBuilder's other online tools to track their returns and tailor their investing profiles. There's even a free option that will automatically rebalance the person's investment selection for optimum performance. Plus, participants can download their account statements and access the latest financial news and information anytime they want. All these services come free, of course.

Traditional 401(k) providers may offer some of these same services. But ShareBuilder gives you the works – everything from toll-free assistance to real-time account updates and 24/7 unfettered online access.

I thought mutual funds were the only investment option for a 401(k).

You're not alone if you think 401(k) plans only offer mutual funds. That's been the case for decades.

But now there's the ShareBuilder 401(k), which offers your employees access to hundreds of exchange-traded funds (ETFs) – a product that is growing in popularity with investors, and for good reason. If you haven't heard about ETFs, you will soon.

What's so great about ETFs? Well, for starters, they track established stock-market indexes – portfolios are not subject to the whims of an investment manager. ETFs also offer the benefits of a diversified portfolio, yet they're traded like stocks. And, since they are passively managed, they typically have low expense ratios.

You won't find ETFs in the 401(k) plans offered by most traditional providers, however.

Through the ShareBuilder 401(k), your employees will have access to 15 of the most popular ETFs – all for less than a 1% annual asset fee. That's a first for small businesses.

Here's another big benefit of the ShareBuilder 401(k): There are absolutely no brokerage fees for buying, selling or exchanging the ETFs in a ShareBuilder 401(k) account.

Choose a traditional 401(k) plan and you'll miss out on all those benefits (and maybe more).

My company is growing by leaps and bounds. No 401(k) can keep up with that.

Small businesses grow and change much faster than large companies, which is another reason why traditional 401(k) plans aren't necessarily a good fit for firms like yours.

With the ShareBuilder 401(k), however, you can easily customize your plan to meet your company's changing needs – when there's a change in the number of employees for example, or a change in earnings. The options are all yours, and they take just minutes to implement.

Plus, the ShareBuilder 401(k) is flexible enough that it can also be easily managed with your existing payroll services or software. (Even better, combine it with ShareBuilder's payroll service for the ultimate in operating efficiencies.)

Everything changes with time, but with a flexible ShareBuilder 401(k), you can count on always having an affordable, effective retirement plan that employees will value and appreciate.

Faced with the facts, I chose the ShareBuilder 401(k) for my firm.

Why ShareBuilder?

Just \$15 per employee per month

The ShareBuilder 401(k) is more than just affordable, it's the low cost plan available to most small businesses. Compared to a traditional 401(k), the cost for the ShareBuilder plan can be as much as 50% less.

So easy to administer

With the ShareBuilder 401(k), you'll spend just minutes each month managing your firm's account. And because everything is available online, you can tackle any administrative tasks wherever and whenever it's convenient for you.

Valuable resources for participating employees

The ShareBuilder plan provides every participant with unlimited no-cost access to a wide array of online financial planning tools and educational resources. That means ShareBuilder – not you – will be the one employees turn to for help with managing their financial nest egg and planning for retirement.

Exclusive access to exchange-traded funds

The ShareBuilder 401(k) plan portfolios consist exclusively of exchange-traded funds (ETFs). An ETF is a basket of stocks that make up a particular index, such as the S&P 500, and its objective is to replicate the performance of that index. By its nature and method of portfolio management, an ETF is a diversified investment product with relatively low operating costs.

Flexible options – for now and later

Whether your company is a one-person operation or a 50-person or more facility, ShareBuilder has a 401(k) plan that will satisfy all your needs. Even better, whichever plan you choose now can easily be customized as your requirements change over time.

About the ShareBuilder Plans

The ShareBuilder 401(k) is specifically designed for small businesses, with four flexible plans available to meet your unique needs.

PLAN MOST[®]

The ShareBuilder PLAN4MOST is a flexible 401(k) that allows you to build a retirement plan that specifically meets the business needs of your company. With the PLAN4MOST, you can design a simple plan that only allows employee contributions or you can choose to build a plan that matches employee contributions and/or allows employees to share in profits.

PLAN TEN[®]

The ShareBuilder PLAN4TEN is specifically designed for small businesses with 2 to 10 total employees who desire an easy-to-operate 401(k) plan. PLAN4TEN is a 401(k) Safe Harbor plan that satisfies the nondiscrimination rules for elective deferrals and employer contributions. PLAN4TEN also serves as an excellent migration solution for owner-only businesses that already have an individual(k) plan when they hire their first employee.

PLAN ONE[®]

The ShareBuilder PLAN4ONE provides owner-only businesses with the opportunity to shelter a significantly higher portion of the profits for retirement than previously allowed through conventional retirement plans. PLAN4ONE enables the owner(s) to contribute up to 25% of compensation as a tax-deductible employer contribution in addition to any pretax contributions.

PLAN ONE *PLUS*[®]

The ShareBuilder PLAN4ONEPLUS is a retirement plan designed for owner-only businesses. It combines the accumulation features of a defined benefit plan with the popular benefits of an individual 401(k) plan. PLAN4ONEPLUS allows the owner to save the most for retirement - more than any other retirement savings vehicle - in many cases well over \$100,000 per year.

Call 1-800-943-6108

Mon. - Fri., 9:00 to 6:00 Eastern Time, except market holidays

ShareBuilder's friendly customer service specialists are standing by to explain all your choices, offer recommendations and answer any questions.

ShareBuilder 401K™

Good for your employees. Good for your company. Good for you.

ShareBuilder Support

Web Site: www.sharebuilder401k.com

Toll-free Phone: 800.943.6108

E-mail: sales@sharebuilder401k.com

Hours: 9 a.m. to 6 p.m. (ET), Monday – Friday

ShareBuilder Corporation: 1445 120th Ave NE, Bellevue, WA 98005