

NYLIM
RETIREMENT
PLAN
SERVICES



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NYLIM's Experience with Businesses of All Sizes:

Total Assets Under Management
Including Affiliates: **Over \$150 Billion***

Experience Servicing Retirement Plans: **Over 30 Years**

Number of Retirement Plan Clients: **7,500**

* As of 9/30/02.

A product best suited for businesses with 25 employees or less.

Providing a **Simple Solution** for Your Retirement Plan

New York Life Investment Management LLC (NYLIM) is committed to assisting small business owners in helping to achieve their dreams and goals. Besides growing your business, saving for retirement is an important goal for owners of any size business. Starting a retirement plan is a great way to help protect one of your most valuable assets—your employees.

We understand that **your time and money are valuable**, and we're here to help you maximize your retirement potential. We draw upon our strengths to offer you:

- Superior customer service
- The benefit of working with a qualified investment professional
- Proven experience and commitment to small businesses
- Access to a diverse array of mutual funds*

These days, you have more choices and new challenges in running your business. Our SIMPLE IRA program is right for you and your business. **It's very affordable, easy to administer, and takes little time to run.**

The NYLIM SIMPLE IRA is here to help.

Did you know...?

The United States Department of Labor calculated that the cost of offering a retirement plan makes up only 3% of an employee's total compensation.

The Advantages of the NYLIM SIMPLE



Advantage

At NYLIM, advantage means providing clients with ways and means to help attract and retain talented employees.

Offering a retirement plan program to you and your employees is an important step. A retirement plan can help you retain current employees and can be a great recruiting tool. It also provides a number of important advantages.

You can:

- Deduct contributions to employee accounts from company income
- Avoid paying expensive start-up fees and ongoing administrative fees
- Use the plan as a recruiting tool for new employees

You and your employees can:

- Defer a percentage of salary on a pre-tax basis via payroll deduction
- Invest in a diverse portfolio of over 20 MainStay® mutual funds
- Make additional catch-up contributions if age 50 or older
- Take advantage of company contributions to help increase retirement plan assets
- Pay a low annual custodial fee and a low quarterly account fee

IRA for You and Your Business

Contribution Limit Changes

In May 2001, the government passed the Economic Growth and Tax Relief Reconciliation Act of 2001. This Act provides a number of advantages to SIMPLE IRA participants, including **increased contribution limits** and **special catch-up contribution amounts** through 2006.



Annual Contribution Limits*

<i>Year</i>	<i>Amount</i>
2002	\$7,000
2003	\$8,000
2004	\$9,000
2005	\$10,000
2006	\$10,000**

Annual Age 50 and Over Catch-up Contribution Amounts*

<i>Year</i>	<i>Amount</i>
2002	\$500
2003	\$1,000
2004	\$1,500
2005	\$2,000
2006	\$2,500

Did you know...?

According to the Social Security Administration, 35% of the workforce have no savings set aside for retirement—which means some of your employees do not either.

* Source: Economic Growth and Tax Relief Reconciliation Act of 2001, May 26, 2001.

** Adjusted for inflation after 2005.

Unmatched Retirement Plan Expertise



Expertise

At NYLIM, expertise means a thorough understanding of market and plan options and the experience to know how to respond.

Choosing the appropriate retirement plan for you and your business may seem like a difficult decision. There are many factors to take into account, including contribution requirements, loan options, and vesting schedules.

We're here to help. As you can see, a SIMPLE IRA plan may be the best option for you and your business. Advantages of a SIMPLE IRA include the following:

- It's easy to administer and has little paperwork each month
- There is no administrative cost to you or your business
- Your employees have the ability to contribute to their accounts
- You have the ability to contribute money to employee accounts

The chart on the next page compares a number of NYLIM retirement plan programs that may be appropriate for your business. **Your investment professional is well-versed in each of these types of plans and can go over the details of them with you.**

	SIMPLE IRA	SEP IRA	Profit Sharing Plan	401(k) Plan
What types of businesses are eligible?	Any employer, including tax-exempt corporations, that does not currently maintain any other retirement plan.	Any employer, including tax-exempt corporations and self-employed individuals.	Any employer, including tax-exempt corporations, except for state and local governments.	
What type of businesses are most appropriate?	Small businesses with new plans.	Sole proprietors or small businesses with new or existing plans.	Businesses looking to provide mutual fund investment options and pay competitively priced administrative fees.	
What is the average number of employees in the plan?	Best suited for employers with less than 25 employees. 100 or fewer, by law.	Typically 1 to 10.	Generally larger employers. Existing plans: \$1,000,000 in rollover assets. New plan: 50 or more participants.	
Which employees must be included in the plan?	All employees with: <ul style="list-style-type: none"> – Two years of service with earnings of at least \$5,000 in each year, and – Expected to earn \$5,000 this year <p>Employer can elect to be less restrictive.</p>	All employees age 21 or older with: <ul style="list-style-type: none"> – Three years of service during the last five years, and – \$450 in wages this year (indexed periodically for inflation) <p>Employer can elect to be less restrictive.</p>	All employees age 21 or older with one year of service (defined as 1,000 work hours). Employer can elect to be less restrictive.	
Must the employer contribute?	Yes, employer chooses: <ul style="list-style-type: none"> – 100% match of employee contributions up to 3% of pay (3% can be reduced to 1% for two out of five years), or – 2% of compensation (up to yearly limit) for all eligible employees. 	No. Contributions are discretionary and determined annually.	No, only top-heavy plans (those with >60% of account balances belonging to owners and key employees) require a contribution.	
Can employees make pre-tax salary contributions?	Yes, up to the yearly maximum. Employees age 50 or older can make additional catch-up contributions, up to the yearly maximum.*	No	No	Yes, up to the yearly maximum. Employees age 50 or older can make additional catch-up contributions, up to the yearly maximum.*
Can owners and key employees make pre-tax salary contributions and receive matching contributions?	Yes, owners/key employees may defer up to the yearly maximum and receive match.	No	No	Maybe, owners and certain employees (pay >\$85,000) may have contributions limited (determined by level of employee contributions and participation).
When do employer contributions vest?	Immediately	Immediately	If the eligibility requirement is greater than one year, employees must vest at 100% upon entry into plan. If eligibility requirement is one year or less, vesting schedule may be used.	Employer chooses among various vesting schedules, from immediate to gradual, lasting up to a six-year graded or three-year cliff. Special requirements apply for top-heavy plans.
Does employer or employee control withdrawals?	Employee only. Taxes and a penalty (25% within first two years, then 10%) may apply.	Employee only. Taxes and a 10% penalty may apply.	Employee contributions are always 100% vested, but employer sets withdrawal parameters (under IRS rules). Taxes and a 10% penalty may apply.	
Can the plan allow loans?	No	No	Yes	Yes
Administration cost and complexity	Low	Low	Medium	Higher; variable, depending upon plan size and average participant balance.

This chart is provided for informational purposes only and is not meant to be tax advice. Employers should always consult with their tax and/or legal advisors before establishing a retirement plan.

* The tax bill allowing catch-up contributions expires on 12/31/10, requiring the government to take some further action to secure these provisions prior to this date in order for them to remain in effect following 12/31/10.

Exceptional Investment Capabilities



Capability

At NYLIM, capability means having the resources to offer clients access to an array of fund choices by qualified investment managers.

NYLIM Profile

- A Leading Investment Manager
- Strength, Stability, Experience
- Spectrum of Investment Capabilities
- Client-Focused Products and Services
- Outstanding Professionals

Consistency of investment process, integrity, and performance are three traits that have helped NYLIM become one of the country's premier investment management firms. Our parent company, New York Life Insurance Company, has a rich legacy of consistent financial strength as well as dynamic innovation. New York Life has been a model of stability for more than 155 years.

NYLIM continues the New York Life tradition by delivering access to quality investment options.

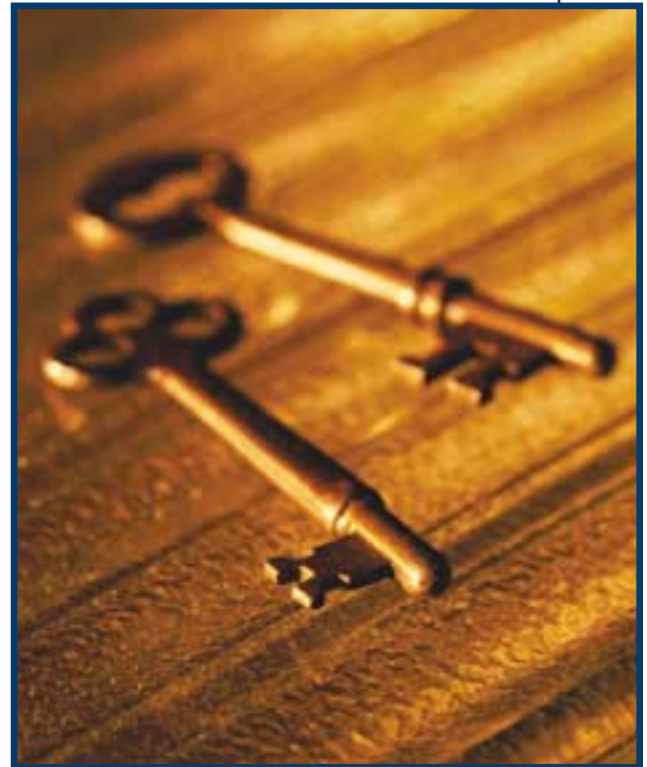
NYLIM is one of the nation's most significant investment management firms. With a team of investment professionals focused on virtually every sector of the capital markets, NYLIM is able to offer access to one of the **broadest arrays of investment capabilities** in the industry. Almost half the *Fortune* 100 firms have recognized this and consistently select NYLIM to manage their assets. In addition, **NYLIM was recently ranked in the top 50 U.S. investment management firms based on asset size.***

The MainStay Funds*

MainStay Funds is a comprehensive family of funds that represents all asset categories, various risk tolerances, and global investment options. With over 20 mutual funds to select from, MainStay Funds **offers a diverse line-up of mutual funds** that helps satisfy a range of investor needs.

Each fund is designed to achieve a specific investment goal and competitive performance. Collectively, the diverse mix allows you to **customize your portfolio as your objectives change over time.**

Skilled investment teams have directed the MainStay Funds since 1986. Each team has expertise in a particular asset class and experience in a variety of economic environments. Portfolio managers operate as a cohesive unit and adhere to a disciplined investment strategy in order to help reduce risk and style drift while seeking to **maximize market opportunities.**



NYLIM's Investment Profile

NYLIM's Three Guiding Investment Principles:

Consistency of Investment Process, Integrity, and Performance

Total Assets Under Management Including Affiliates:

Over \$150 Billion**

Asset Categories:

Equity, Equity and Income, Income, and International

Please keep in mind that mutual funds are subject to market risk and will fluctuate in value.

Contact your investment professional for a free prospectus containing more information, including fees and expenses. Please read it carefully before you invest.

Please keep in mind that your investment objectives may not be met.

* Securities distributed by NYLIFE Distributors Inc., NYLIM Center, 169 Lackawanna Avenue, Parsippany, NJ 07054.

** As of 9/30/02.

Superior Client Service



Service Awards

Our Commitment to
Providing Customer Service

- NYLIM Service Company won the **2001 DALBAR Mutual Fund Service Award**. This award recognizes the outstanding level of customer service given to our clients through 2001.
- 401kExchange.com ranked NYLIM as a **leader in client services**. NYLIM earned Top Rated Asset Manager and Fund Administrator.*

Customer service is more than important. It's integral. At NYLIM, we strive to provide superior service to all of our clients and plan participants. The key to great service starts with our network of investment professionals who sell our products. Each of our investment professionals has extensive knowledge about our products, retirement planning in general, and how both fit the needs of you and your business.

For employees in your business, we offer five avenues for participants to **receive superior service**.

- **Investment professionals** are available to address retirement planning needs, as well as other financial needs
- **Toll-free phone number** provides easy account access and a knowledgeable staff ready to answer any account-related questions
- **Website** provides 24-hour, seven-days-a-week account access, industry information, and educational materials
- **Quarterly statements** give a snapshot of retirement account information
- **Quarterly newsletter** provides informative and timely articles

* October 2001, in the \$10 million to \$100 million asset category.

The NYLIM SIMPLE IRA and You

Your dreams and goals are important—and we're here to help you achieve them. We've made picking the right company to offer you and your employees a SIMPLE IRA plan simple.

What makes us a complete retirement plan solution for your SIMPLE IRA plan can be explained quite simply: **exceptional investment capabilities, superior service, and unmatched retirement plan expertise.**

We think you'll agree.

Call me to set up
the NYLIM SIMPLE
IRA for you and
your business.

Institutional Asset Management

Retail Investments

Retirement Plan Services

Real Estate

Alternative Investments

Guaranteed Products

New York Life Investment Management LLC
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169 Lackawanna Avenue
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www.nylim.com/retirement



For businesses with 25 employees or less.



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