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Will a stock market correction affect your company 401-k plan?

Dear Business Owner,

If you are like most small or midsize business owners, you have numerous day to day responsibilities in running a successful company. The last thing you want to be concerned with is the impact of negative market performance on the retirement plans of your employees.

Large corporations have helped protect their employees from market risk by instituting an IRA provision, commonly known as a "Non-Hardship 401k Withdrawal Privilege." This option can allow employees to move a portion of their 401k out of the plan into insurance products protected from market decline, without triggering a taxable event, if they roll the distribution proceeds into an IRA or other tax-qualified plan within 60 days of receiving the distribution. ¹

Small and midsize business owners can institute the same provision to help protect their employees from losses in their 401k plans by allowing employees to purchase products protected from market decline. Fear of a market downturn right before retirement is leading to record sales of annuities with income guarantees. ^{2*}

This addition to the 401k plan can help safeguard your employees' retirement by showing them an alternative source of income in retirement that could last a lifetime, even if another market correction occurs.

I assist companies in executing on these types of strategies, and I would like to spend a few minutes with you to discuss adding this option to your current 401k plan. I can help you implement this useful strategy, regardless of who manages your current plan.

Please call me at 800-373-9807 ext. 348 to set a time for a short meeting where we can discuss this provision further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rodney Schmitz', with a long horizontal flourish extending to the right.

Rodney Schmitz
Sales Advisor
The Sunderland Group

1. If the distribution proceeds are not rolled into an IRA or other tax-qualified plan within 60 days of the distribution, a non-hardship withdrawal privilege is treated as ordinary income and will trigger a tax liability. In addition, if you are under 59 ½, you could be subject to a 10% federal additional tax. Other restrictions may also apply.
2. <http://www.kiplinger.com/features/archives/krr-annuities-on-the-rise-in-401k-plans.html>

*All guarantees are based on the claims-paying ability of the issuing company. Withdrawals may be taxable and a 10% penalty may apply to withdrawals taken before age 59 ½.

Please note that by responding to this letter, you may be introduced to insurance products.