

EMPLOYER: Sample Client

PLAN: Nonqualified Defined Benefit (DB - ASC 710) Plan

REPORT: FICA/FUTA Withholding Analysis for "Non-Account Balance Plans"

REFERENCE: IRC Sec. 3121(v)(2)

<u>Year Ending</u>	<u>Present Value Discount Rate **</u>	<u>Vested Percent</u>	<u>Vested In *</u>	<u>Present Value of Vested Accrued Benefit</u>		<u>Amount Subject to FICA/FUTA</u>	
				<u>Current</u>	<u>Increase</u>	<u>Total From Prior Periods</u>	<u>Current Year</u>
Participant, A							
12/31/2012	5.00 %	29.63	NRB	62,241.96	62,241.96	0	62,242
12/31/2013	5.00 %	33.33	NRB	73,523.32	11,281.36	62,242	8,169
12/31/2014	5.00 %	37.04	NRB	85,777.21	12,253.89	70,411	8,578
12/31/2015	5.00 %	40.74	NRB	108,979.94	23,202.73	78,989	18,914
12/31/2016	5.00 %	44.44	NRB	130,505.73	21,525.79	97,903	16,077
12/31/2017	5.00 %	48.15	NRB	151,032.01	20,526.28	113,980	14,001
12/31/2018	5.00 %	51.85	NRB	172,971.87	21,939.86	127,981	14,388
12/31/2019	5.00 %	55.56	NRB	196,235.49	23,263.62	142,369	14,615
12/31/2020	3.00 %	59.26	NRB	310,852.64	114,617.15	156,984	20,643
12/31/2021	3.00 %	62.96	NRB	340,189.35	29,336.72	177,626	20,011
12/31/2022	3.00 %	66.67	NRB	386,465.11	46,275.76	197,638	36,070
12/31/2023	3.00 %	70.37	NRB	425,215.54	38,750.43	233,708	27,156
12/31/2024	4.00 %	74.07	NRB	407,874.26	-17,341.28	260,864	24,935
Participant, B							
12/31/2012	5.00 %	48.15	NRB	154,904.63	154,904.63	0	154,905
12/31/2013	5.00 %	51.85	NRB	175,161.39	20,256.76	154,905	12,512
12/31/2014	5.00 %	55.56	NRB	197,056.56	21,895.17	167,416	13,137
12/31/2015	5.00 %	59.26	NRB	239,095.29	42,038.73	180,553	32,186
12/31/2016	5.00 %	62.96	NRB	270,844.39	31,749.10	212,739	19,794
12/31/2017	5.00 %	66.67	NRB	312,521.11	41,676.72	232,533	28,135
12/31/2018	5.00 %	70.37	NRB	350,170.02	37,648.91	260,668	22,023
12/31/2019	5.00 %	74.07	NRB	389,824.46	39,654.44	282,691	22,146
12/31/2020	3.00 %	77.78	NRB	559,689.41	169,864.95	304,837	36,036
12/31/2021	3.00 %	81.48	NRB	610,311.08	50,621.67	340,873	33,831
12/31/2022	3.00 %	85.19	NRB	664,063.69	53,752.61	374,704	35,443
12/31/2023	3.00 %	88.89	NRB	718,646.34	54,582.65	410,147	34,661
12/31/2024	4.00 %	92.59	NRB	709,954.73	-8,691.61	444,808	30,724
Participant, C							
12/31/2012	5.00 %	6.45	NRB	7,488.16	7,488.16	0	7,488
12/31/2013	5.00 %	9.68	NRB	11,793.85	4,305.69	7,488	3,931
12/31/2014	5.00 %	12.90	NRB	16,511.38	4,717.54	11,419	4,128
12/31/2015	5.00 %	16.13	NRB	22,875.15	6,363.76	15,547	5,538
12/31/2016	5.00 %	19.35	NRB	29,884.57	7,009.43	21,085	5,866
12/31/2017	5.00 %	22.58	NRB	37,166.09	7,281.52	26,951	5,787
12/31/2018	5.00 %	25.81	NRB	46,829.28	9,663.18	32,738	7,805
12/31/2019	5.00 %	29.03	NRB	56,107.33	9,278.05	40,543	6,937
12/31/2020	3.00 %	32.26	NRB	113,320.09	57,212.76	47,480	12,749

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<u>Year Ending</u>	<u>Present Value</u>	<u>Vested</u>	<u>Percent</u>	<u>Vested In *</u>	<u>Present Value of</u>		<u>Amount Subject to FICA/FUTA</u>	
	<u>Discount</u>				<u>Rate **</u>	<u>Vested</u>	<u>Accrued Benefit</u>	<u>Total From</u>
					<u>Current</u>	<u>Increase</u>	<u>Prior Periods</u>	
12/31/2021	3.00 %	35.48	NRB		130,174.88	16,854.79	60,228	13,455
12/31/2022	3.00 %	38.71	NRB		146,937.12	16,762.24	73,684	12,857
12/31/2023	3.00 %	41.94	NRB		169,919.42	22,982.30	86,541	18,574
12/31/2024	4.00 %	45.16	NRB		153,556.75	-16,362.68	105,115	14,624

- NOTE: (1) Vested Accrued Benefit - That portion of the projected modal benefit that the employee has a non-forfeitable interest in at the end of the current calendar year.
- (2) Amount Subject to FICA/FUTA - The present value of the increase in the Vested Accrued Benefits over the prior year. This is the present value of the additional stream of the total non-forfeitable benefits to be paid over the payout period selected.
- (3) The amount subject to FICA/FUTA as calculated above should be added to the participant's other earnings in the current calendar year and included for FICA/FUTA withholding in an amount up to the OASDI wage base. In addition, the entire amount shown above is subject to the Hospital Insurance (HI) tax. CONSULT YOUR TAX ADVISOR FOR EXACT DETAILS.
- (4) Reportable amounts under the "Special Timing Rule" should be included on the participant's W-2 in boxes 3 and 5.
- (5) Please be aware that some municipalities may have additional regulations regarding the tax treatment of NQDC plans. Consult your tax adviser.
- (6) If this plan has not been administered by The Pangburn Group from inception, the first period shown may represent a composite value with/without interest from the prior TPA.

* AL - Accrued Liability

NRB - Normal Retirement Benefit

** The rate displayed represents the Effective Annual Rate.

NOTICE REGARDING FICA REPORTS: The calculations reported here have been made (i) on a basis consistent with our understanding of Section 3121(v)(2)- FICA taxation of nonqualified deferred compensation plans and (ii) actuarial assumptions, Plan and census data provided to The Pangburn Group and agreed to by the Plan Sponsor. Any changes to information previously provided should be immediately communicated to The Pangburn Group. The information presented should not be considered formal tax advice. The Plan Sponsor should consult their own tax professionals for confirmation.