



Voluntary Contributions

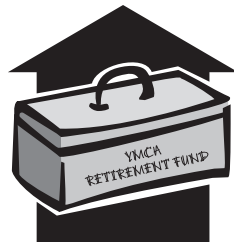
Pay Yourself First

The most powerful and effective strategy for saving for retirement is to pay yourself first by making voluntary contributions to a Tax-Deferred Savings or After-Tax Account. You can start, stop or change the amount of these contributions at any time by notifying the person who administers the Retirement Plan at your YMCA.

Tax-Deferred Savings Account

Any employee of a participating YMCA can participate in the Tax-Deferred Savings Plan by opening a Tax-Deferred Savings Account regardless of their age, length of service, or hours worked. This account allows you to save money on a pre-tax basis through payroll deduction.

**THE MORE MONEY
YOU PUT IN YOUR
TAX-DEFERRED
SAVINGS ACCOUNT...**



**THE LOWER
YOUR TAXABLE
SALARY...**



**THE LESS TAX
YOU PAY...**



**AND THE FASTER
YOUR RETIREMENT
SAVINGS GROW...**



To get the benefits of tax deferral, you cannot withdraw from your Tax-Deferred Savings Account before you turn 59½ or retire. If you do, you may owe a 10% federal penalty tax on the amount you take out, in addition to any income tax that's due. However, if you are working for a YMCA and under age 59½, you may withdraw funds from this account to help you during a financial hardship. Federal pension law allows certain expenses, such as a medical emergency or a foreclosure on your home, to be withdrawn without a penalty tax. If you take a hardship withdrawal from your Tax-Deferred Savings Account, you cannot make new contributions to any voluntary account for six months.

Loans are available if you work for a participating YMCA and your Tax-Deferred Savings Account balance is \$2,000 or over. You may borrow up to the lesser of 50% of this account, or \$50,000 (per federal regulations). Since you are borrowing from yourself, all interest that you pay will be credited to your account. Loan terms are a maximum of five years and repayments are through payroll deduction.

After-Tax Account

If you are enrolled in the Retirement Plan, you may also contribute to an After-Tax Account. This account allows you to save money that has already been taxed. If you make contributions through payroll deduction, you do not lower your annual taxable income. All earnings on this account grow tax deferred. When you withdraw your money or retire, only the earnings will be taxed, not your principal. Withdrawals prior to age 59½ may be subject to a federal penalty on the earnings. While you may withdraw your account balance in full at any time, loans are not available.

YMCA RETIREMENT FUND



140 Broadway, New York, NY 10005 1197
Tel 646 458 2400, 800 RET YMCA
Fax 646 458 2550
info@ymcaret.org, www.yretirement.org

Maximize Your Savings in 2007

Changes in federal contribution limits allow you opportunities for greater savings.

FEDERAL CONTRIBUTION LIMITS	
Total Contributions	100% of your compensation* or \$45,000 (whichever is less)
Age 50+ Catch-Up	\$5,000

**The IRS Code limits includable compensation to \$225,000*

TAX-DEFERRED CONTRIBUTION LIMITS	
Tax-Deferred Contributions Maximum (individual limit from all salary reduction retirement plans)	\$15,500
15+ Years of Service Catch-Up (increases tax-deferred contribution maximum)	\$3,000
Age 50+ Catch-Up (increases both total and tax-deferred contribution maximum)	\$5,000

Contributions to a **Tax-Deferred Savings Account** are “pre-tax” and reduce your current year’s taxable income. Your total individual elective deferrals under the following salary reduction plans are subject to the federal contribution limits: 401(k) plans, 403(b) plans, designated Roth contributions, Simplified Employee Pension (SEP) plans, and SIMPLE plans with salary reduction features. If you participate in plans of multiple employers, your total tax-deferred contributions from all such plans may not exceed the federal limit.

Contributions to an **After-Tax Account** in the Retirement Plan have already been taxed. These contributions do not lower your annual taxable income. However, all earnings on this account grow tax deferred. After-tax contributions are subject to “non-discrimination” testing. The testing that is required comes under Section 401(m) of the Internal Revenue Code. The IRS requires that retirement plans compare after-tax contributions made by non-highly compensated employees to after-tax contributions made by highly compensated employees. This is called “non-discrimination” testing, and it is designed to ensure that highly compensated employees are not unduly favored. If a YMCA fails the test, all or a portion of these contributions, plus interest, will be refunded to the highly compensated employees.

What if I haven’t maximized my savings?

The 15+ Years of Service Catch-Up allows long-term participants to increase their savings to “make up” for those career periods when they did not maximize their tax-deferred contributions. To be eligible, you must have worked for a YMCA for at least 15 years and your previous tax-deferred contributions could not have exceeded an average of \$5,000 per year of service. You may not use more than \$15,000 of catch-up contributions over your lifetime, limited to \$3,000 in any one year. For 2006 and thereafter, the lifetime limit is reduced by any of your designated Roth contributions.

What if I’m age 50 or older?

Participants who are age 50 or older (or will turn age 50 any time in 2007) are allowed to increase their tax-deferred contributions by \$5,000 in 2007. By taking advantage of the Age 50+ Catch-Up, your total contribution limit also increases by \$5,000.

If you are eligible, amounts are attributed to the 15+ Years of Service Catch-Up first (to the extent it is available) and then to the Age 50+ Catch-Up. For example, if you are age 50 or over and also eligible for the 15+ Years of Service Catch-Up, you can save \$23,500 tax deferred in 2007 (\$15,500 from the basic limit plus \$3,000 of 15+ Years of Service Catch-Up plus \$5,000 for Age 50+ Catch-Up).

For more information, go to our FAQs at www.yretirement.org

YMCA RETIREMENT FUND



TAX-DEFERRED SAVINGS ACCOUNT

Personal and Employment Information

Male Female Single Married

Name (First _____ Middle _____ Last _____) Date of Birth (mm/dd/yyyy) ____/____/____

Home Address (Street _____ City _____ State _____ Zip _____)

Home Phone _____ Email _____

Name of your YMCA _____

Job Title _____ Date of Hire (mm/dd/yyyy) ____/____/____ - - Social Security Number

Your Authorization for Tax-Deferred Payroll Deduction

I authorize (choose one): a contribution of ____% of my salary, per pay period to begin on ____/____/____ (mm/dd/yyyy)
 a contribution of \$_____ per pay period to begin on ____/____/____ (mm/dd/yyyy)

I understand that these funds are for use as an annuity at retirement or a distribution upon termination of employment in accordance with the terms of the Plan. In the event of my death prior to retirement or termination, my account balance will be paid to my named beneficiary(ies).

By signing here, I agree to the *Salary Reduction Agreement for Tax-Deferred Savings Accounts* (see below). I understand that if I am not yet a participant in the Retirement Plan, once I become enrolled in the Retirement Plan and the YMCA contributes to my basic account, this may reduce the amount I am eligible to contribute to my Tax-Deferred Savings Account.

EMPLOYEE SIGNS

This Salary Reduction Agreement enables a YMCA employee to make pre-tax contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan (the "Savings Plan") to be allocated to his or her account in the Savings Plan (the "Savings Account").

We, (participating YMCA and employee), agree that the employee's compensation (as defined in the Savings Plan) will be reduced as stated on this form. The voluntary contributions will be contributed to the employee's Savings Account in the Savings Plan. Salary reductions apply only to compensation earned after completing this agreement and cannot be retroactive. Employees are always vested in their Savings Account.

Contributions made under this agreement are not subject to federal income tax and may not exceed federal contribution limits. Any contributions over the limit will be returned to the employee and will be part of taxable compensation. Contributions are not reported as a part of "wages, tips, other compensation" subject to federal income tax on the participant's IRS Form W-2 (however, they will be reported elsewhere on the form). Contributions are subject to Social Security taxes, and may be subject to state income tax. Responsibility for withholding and reporting any state income tax rests with the YMCA.

Changes in contributions of a set dollar amount each payroll period will require that a new form be completed by both the YMCA and the employee. If the contributions are based on a percentage of compensation, there is no need to fill out a new form for compensation changes, unless the participant so chooses.

The IRS permits pre-tax saving as a method of building savings for retirement. There are no withdrawals while working for the YMCA except in the case of personal hardship as provided under federal law. Hardship withdrawals are subject to regular income tax and an early withdrawal penalty tax if the employee is not 59½.

If the participating employee leaves the YMCA, they may leave their Savings Account in the Savings Plan to grow with interest until they begin retirement benefits. Inactive participants with account balances less than \$5,000 may be subject to an immediate distribution or mandatory rollover as permitted by federal law. If they withdraw their tax-deferred money, they may roll it over to another eligible employer plan or IRA without tax consequences. However, if they do not roll it over, it is subject to regular income tax and usually an early withdrawal penalty tax if they are not 59½.

This agreement shall continue indefinitely unless the employee chooses to terminate it. It can be revoked by the employee at any time, although contributions will stop at the end of the payroll cycle. Termination of employment terminates this agreement and re-employment requires re-application for those eligible to open a Savings Account.

This agreement is not an employment contract, and creates no rights to continued employment by the YMCA.

YMCA Authorization

(Name of YMCA) _____ (YMCA #) _____, will send the YMCA Retirement Fund the stated employee's contribution for his/her Tax-Deferred Savings Account. When the employee becomes a participant in the Retirement Plan and opens a basic account, the YMCA will notify the participant if pre-tax contributions must be reduced to keep within federal contribution limits.

LOCAL PLAN ADMINISTRATOR SIGNS

_____/_____/____ Date (mm/dd/yyyy)

YMCA RETIREMENT FUND



AFTER-TAX SAVINGS ACCOUNT

This form is to be used only if you are enrolled in the Retirement Plan and want to open an After-Tax Account or change your contributions to an existing After-Tax Account. Since this request will replace all previous requests, please enter the total amount that you would like to contribute per payroll period.

Personal and Employment Information

<input type="checkbox"/> Male		<input type="checkbox"/> Female		<input type="checkbox"/> Single		<input type="checkbox"/> Married		
Name (First)			Middle			Last	Date of Birth (mm/dd/yyyy)	
Home Address (Street)				City		State		Zip)
Home Phone				Email				
Name of your YMCA								
Job Title			Date of Hire (mm/dd/yyyy)		Social Security Number			

Your Authorization for After-Tax Payroll Deduction or One-time Contribution

I authorize that my YMCA will send the YMCA Retirement Fund (choose one):

- a contribution of _____% of your salary, **per pay period** to begin on ____/____/____.
(mm/dd/yyyy)
- a contribution of \$ _____ **per pay period** to begin on ____/____/____.
(mm/dd/yyyy)
- a **one-time** contribution of \$ _____ for tax year 20 _____.

(All contributions are subject to federal limits based on year-to-date compensation, and non-discrimination testing required by federal law. Contributions may be made through payroll deduction or by personal check. Contributions for a tax year must be received by January 31 of the following year.)

I understand that these funds are for use as an annuity at retirement or a distribution. In the event of my death prior to retirement or receiving a distribution, my account balance will be paid to my named beneficiary(ies).

PARTICIPANT SIGNS _____ Date (mm/dd/yyyy)

YMCA Authorization (only if after-tax contributions are made through payroll deduction)

Please examine all entries to verify the accuracy of this legal document (this form is only for employees who are enrolled in the YMCA Retirement Plan). Sign and forward the completed form to the YMCA Retirement Fund.

LOCAL PLAN ADMINISTRATOR SIGNS _____ Date (mm/dd/yyyy)

ASR9 3/07

