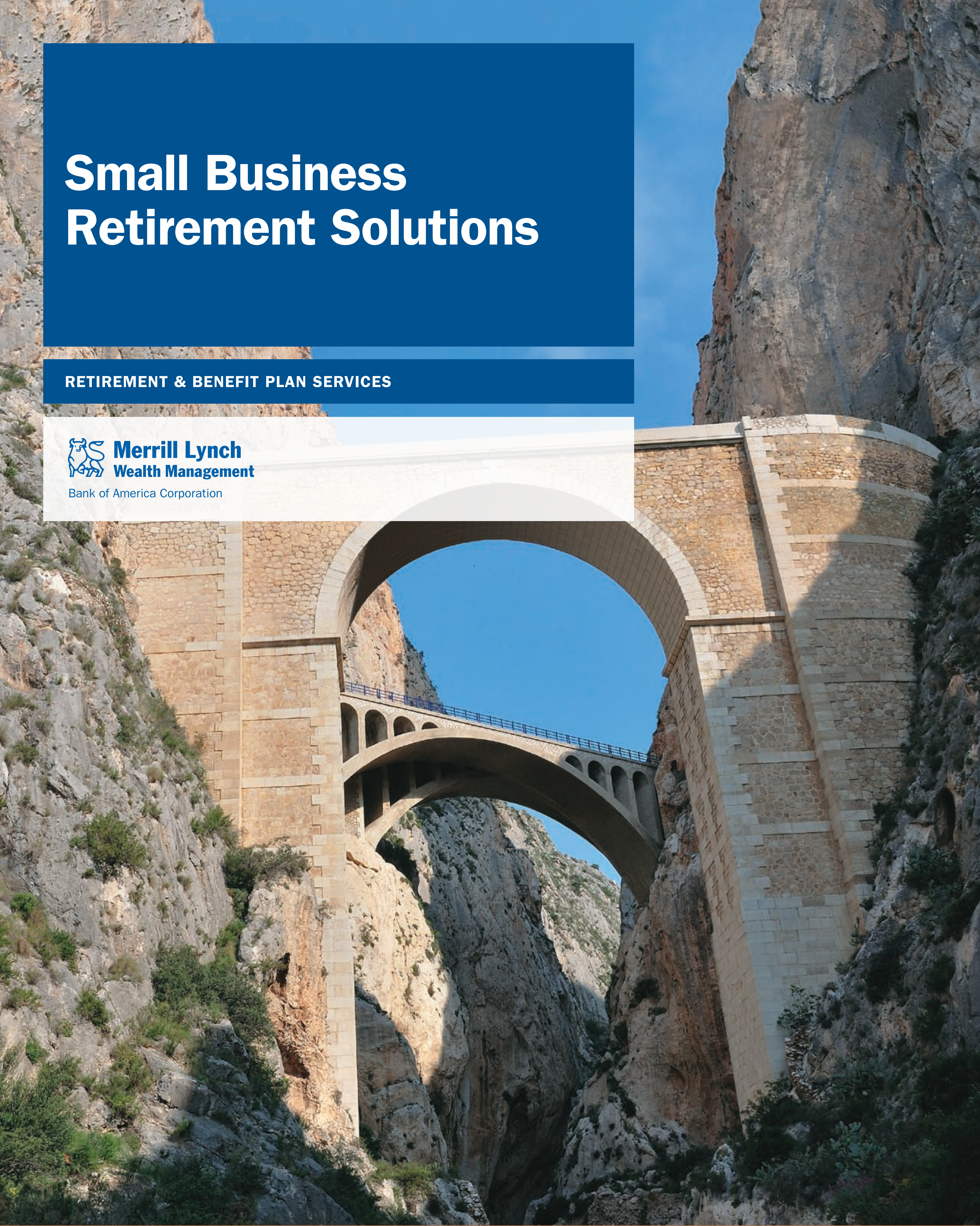

Small Business Retirement Solutions

RETIREMENT & BENEFIT PLAN SERVICES

Merrill Lynch
Wealth Management
Bank of America Corporation

Retirement & Benefit Plan Services

Whether it's bridging the gap between what you have and what you may need—or linking you with a partner who can help make your benefit plan a reality.

We share your commitment to the financial well-being of your employees. And, we make a commitment of our own to you: To work with you to build and maintain an employee benefit plan tailored to the needs of your business—one that helps your employees invest for retirement with confidence.

Retirement & Benefit Plan Services offers a comprehensive suite of retirement and benefit plan products and services that are sold through Merrill Lynch Wealth Management and your Financial Advisor.

We are committed to helping you and your employees prepare for retirement. For more information, please contact your Merrill Lynch Financial Advisor. We look forward to working with you.

See back cover for important information.

Planning for Your Future

As a business owner, you may face the challenge of balancing your business's needs with your individual retirement planning needs. Figuring out the best way to prepare for a fulfilling retirement requires thoughtful planning and consideration of your needs as an individual and as a business owner. You also may have employees whose needs you want to consider.

Studies conducted among business owners and employees, to better understand their retirement aspirations and preparedness, have found:

- Ensuring retirement assets will last throughout their lifetime is a key concern among most small business owners.[1]
- The majority of small business owners view providing a retirement savings plan for their business as either a benefit to retain talented employees or part of their responsibility as an employer.[1]
- Most employer retirement plan sponsors use a consultant or advisor to assist them with plan decisions.[2]

Implementing a business retirement plan best suited to your needs and the needs of your employees can help you prepare for and achieve a more secure retirement.

[1] Merrill Lynch AIQ Report, March 2010.

[2] Profit Sharing Council of America (PSCA) 52nd Annual Survey, 2009.

Your Objectives and Options

Company Objectives

- Primary objective: Are you preparing for your own retirement and accumulating wealth? Are you concerned about attracting and retaining good employees?
- Tax advantages: Do you want to defer your taxable income and take advantage of a tax-deductible business expense?
- Cash flow: Are there constraints or opportunities you need to consider when designing your plan?

Retirement Plan Objectives

- Employee opportunities: Is it important to give employees opportunities to contribute and defer some of their taxes?
- Owner flexibility: Do you want to be able to contribute as much as possible? Would you like to offer highly compensated employees higher contribution limits while still passing compliance testing?
- Employer contributions: Should they be discretionary and flexible, based on what you can afford? Should they be linked to the amount employees contribute?

Your Options

As a small business owner, you have more retirement plan options today than ever before, and you may need help understanding which one fits your needs.

Preparing for the life you want to achieve in retirement calls for sophisticated planning. On the following pages, you will find details about the various retirement plan solutions available through Merrill Lynch.

Your Merrill Lynch Financial Advisor can help you implement a comprehensive financial strategy that can work for your unique circumstances and support your broader goals.

On the following pages, you will find details about the various retirement plan solutions available through Merrill Lynch:

- SIMPLE IRA and SEP IRA Plans
- Profit-Sharing and Defined Benefit Plans
- Traditional and Individual 401(k) Plans

SIMPLE IRA and SEP IRA Plans

SIMPLE IRA Plan

A savings incentive match plan for employees (SIMPLE) may be a good choice for employers with 100 or fewer employees who can afford to make mandatory annual contributions in exchange for no top-heavy or contribution discrimination testing requirements. Employees can defer compensation up to $11,500 ($14,000 if they are age 50 or older) for 2011. Employer contributions are 100% vested immediately.

May be right for you if you want:

- To make maximum employee contributions for yourself, regardless of employee participation levels
- A salary-deferral option for employees
- Fewer administration requirements

Considerations:

- Employers must contribute annually, either:
  - — A flat 2% of compensation for all employees eligible to participate or
  - — A dollar-for-dollar match of employee salary-deferral contributions capped at 3% of compensation.[3]
- Loans are not permitted.

SEP IRA Plan

A simplified employee pension (SEP) plan is suitable for both entrepreneurs and business owners with employees. Inexpensive and easy to establish and maintain, a SEP plan allows high employer contributions (25% of compensation, up to $49,000 for 2011). Annual employer contributions are optional, giving you the ability to determine each year whether to contribute. Employer contributions are 100% vested immediately.

May be right for you if you want:

- To keep your retirement plan simple
- Flexibility in making annual contributions

Considerations:

- Unless integrated with Social Security, the same contribution percentage rate must be used for all employees, including the employer.
- Employee salary-deferral contributions are not permitted.
- Loans are not permitted.

Time-Saving Services

Merrill Lynch offers these products and services:

- The Merrill Lynch E-Contribs for Small Business Retirement Accounts™ service provides a convenient Web-based solution to make employer contributions to retirement plans.
- Managed account solutions offer discretionary, fee-based investment services.
- The Automated Investment Program provides a disciplined, systematic way to invest in mutual funds.

[3] May be reduced to as low as 1% in any two years during a five-year period.

Profit-Sharing and Defined Benefit Plans

Profit-Sharing Plan

Profit-sharing plans may be right for employers with employees who want flexibility in making annual contributions. Employers may contribute up to 25% of eligible employee compensation, with a $245,000 income cap per individual in 2011. The combined total contributions and forfeiture allocations to each employee are up to 100% of that participant's compensation, not to exceed $49,000.

May be right for you if you want:

- Discretionary contributions
- High contribution limits
- Less complicated administration and compliance requirements

Considerations:

- Employee salary-deferral contributions are not permitted.
- Generally, age-based exclusions cannot exceed age 21, and service-based exclusions cannot exceed two years. Other exclusions are permitted.
- IRS Form 5500 filing is required.

Defined Benefit Plan

A defined benefit plan may be better suited for business owners with employees. It provides the highest level of tax-deductible retirement contributions allowed by law. Generally funded by employer contributions, the plan can provide participants with a lifetime monthly benefit at retirement. Participants may receive benefits that exceed those offered by other retirement plans, such as a 401(k). The maximum annual benefit is $195,000 for 2011.

May be right for you if you want:

- Higher tax-deductible contributions than most retirement plans
- A specific amount of income during retirement
- To maximize your retirement savings during your peak earning years

Considerations:

- Annual employer contributions are required and are based on a formula.
- Administration requirements include the annual filing of IRS Form 5500 and actuarial calculations.
- The plan may be subject to insurance premiums through the Pension Benefit Guaranty Corporation.

Investment-Only Solution

If you are looking for an investment-only solution, the Retirement Cash Management Account (RCMA®) Investment Only account gives you access to the investment expertise and flexibility of Merrill Lynch while you work with a third-party administrator of your choice for recordkeeping, tax reporting and other administrative duties.

Traditional and Individual 401(k) Plans

Traditional 401(k) Plan

401(k) plans are a popular choice among established employers who want to recruit, retain and reward employees. The traditional 401(k) plan has many features and effectively combines employer contributions (25% of eligible compensation on salaries up to $245,000 in 2011) with employee salary-deferral contributions (up to $16,500 in 2011; $22,000 if age 50 or older). However, this plan can be more expensive to establish and maintain.

May be right for you if you want:

- To provide an incentive to reward and encourage employees to save for retirement
- A salary-deferral option for employees
- To make optional employer matching or nonmatching contributions annually
- Automatic enrollment or other automated program features to accommodate retirement planning objectives of the business and participants
- To offer employees the option of taking loans from the plan

Considerations:

- The plan must conform to both contribution discrimination and top-heavy testing compliance rules, which may limit contributions of highly compensated employees or key employees.
- IRS Form 5500 filing is required.
- Administration and recordkeeping generally are more complex and are commonly done by a third-party provider.

Individual 401(k) Plan

An individual 401(k) offers owner-only businesses the same benefits as a traditional 401(k) without any complex testing or detailed administrative responsibilities. You may be able to make higher contributions than in other types of retirement plans. The 2011 deductible contribution amount is 25% of compensation, not to exceed $49,000. Individuals age 50 or older can make an additional $5,500 catch-up contribution in 2011 for a total of $54,500.

May be right for you if you:

- Want to maximize your retirement savings
- Want flexibility in making contributions
- Have attained significant compensation levels, making the 401(k) contribution limits more attractive to you

Considerations:

- An individual 401(k) is not available to businesses with nonowner employees.
- IRS reporting may be required.

Plan Design Considerations and Features

Safe Harbor

The safe harbor 401(k) makes it easy for employers and key employees to take advantage of the higher contribution levels and all the features of a 401(k). In exchange for mandatory employer contributions, safe harbor plans are deemed to pass certain compliance testing.

May be right for you if you want:

- Fewer restrictions on salary-deferrals for key employees
- To eliminate the time and costs associated with compliance testing

Considerations:

- Employers using this plan must make mandatory contributions for their employees, either through matching contributions or a nonelective contribution, for the contribution and top-heavy compliance rules to automatically be considered satisfied.

New Comparability

New comparability plans, also known as cross-tested plans, enable owners with a profit-sharing or 401(k) plan to allocate greater employer contributions to a preferred group of employees, based on specific criteria such as length of service or job function, while still passing IRS compliance testing.

May be right for you if you want:

- Specific groups of employees to be able to build retirement savings more quickly without increasing overall plan costs
- All the other features and benefits of 401(k) plans when paired with a 401(k) salary-deferral plan

Considerations:

- Complex formulas for calculating contributions require additional administration.

Age-Weighted

Age-weighted plans are very similar to new comparability plans in that they allow business owners to allocate greater employer contributions to a specific group of employees while still passing IRS compliance testing. Age-weighted plans benefit older, key employees who may be closer to retirement age and now have limited time to accumulate retirement savings.

May be right for you if you want:

- To allow key employees to make larger contributions to their retirement plan and still fulfill nondiscrimination testing requirements
- To provide employees in specific age groups an equal benefit at retirement

Considerations:

- Key employees who are young may not benefit from higher employer contributions.
- Calculations to determine contribution amounts may require additional administration.

Qualified Automatic Contribution Arrangement

A qualified automatic contribution arrangement combines the benefits of a safe harbor plan with an automatic enrollment/ automatic increase feature. It offers a cost-effective alternative to a 401(k) safe harbor plan because it allows for a lower employer match calculation and allows employer contributions to vest over time.

May be right for you if you want:

- To help employees participate in a 401(k) plan and/or increase their savings rates, especially lower-income employees
- To avoid actual deferral percentage and actual contribution percentage (ACP) compliance testing or eliminate contribution restrictions for key employees because of low plan participation or deferral rates
- Additional fiduciary plan protection

Considerations:

- Minimum uniform contribution percentages per plan year (beginning with 3%, up to a maximum of 10% of compensation). Increases are automatic.
- ACP testing may be required if an employer match is made on more than the first 6% of compensation.

Packaged Plan Services

Through the Advisor Alliance™ and RCMA Investment Link® programs, you and your Financial Advisor can work with a participating partner or third-party administrator to develop a customized plan that is most advantageous for you and your employees.

Preparing for Your Retirement

It is estimated that Americans will need 70% to 90% of their preretirement income to maintain their current lifestyle in retirement.

Are you prepared? Establishing a retirement plan may help you get there.

- Having a business retirement plan in place can address your unique circumstances as a business owner and help you prepare financially for your personal long term goals.
- The longer money is invested, the greater the potential for taking advantage of the compounding benefits of tax-deferred assets in retirement plans.
- Certain plan design features, including new comparability and safe harbor, can help you and your employees maximize retirement contributions.
- Automated programs—such as automatic enrollment, qualified default investment alternative and automatic deferral increases—can give employees, such as those who otherwise might not choose to join or fully participate in a retirement plan, the opportunity to invest in their futures.

Getting Started

- Contact your Financial Advisor to review your retirement plan options.
- Choose a provider and execute applicable plan documents and account-opening agreements. You can choose:
  - One of the prototype plan documents available through the Merrill Lynch suite of proprietary plans
  - The Advisor Alliance program
  - The RCMA Investment Link program
  - The RCMA Investment Only account and use the third-party administrator of your choice.
- Choose your investments—Depending on the type of recordkeeping solution you choose, you may select from a number of available investment options, including stocks, bonds, mutual funds or professionally managed account services.
- Start saving for retirement—Talk to your tax advisor about the timing and amount of your contributions.

Call Your Financial Advisor

You can discuss your situation, your needs and what you want to accomplish with your Financial Advisor. By understanding your goals, we can help provide your business with potential retirement solutions.

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