Financial Legacy Benefit Plan™

Solutions and Services

Your Tribe's success is rooted in ancestral values: hard work, perseverance in the face of adversity, and commitment to the tribe's long-term well-being. These values have guided your choices and will frame your planning for the future. Helping your Tribe's Members use their per capita distributions wisely will help continue these values. The Financial Legacy Benefit Plan™ provides Tribal Members with a way to save part of their per capita payments pretax to build a nest egg for the future.

"TRI-AD's innovative co-creation of the Financial Legacy Benefit Plan provides a new and unique way for Tribal Members to build a legacy of wealth and financial security. Our 40 years of regulatory and administrative expertise with retirement plans of all types provided the solid foundation we needed to become the leader in delivering these Plans to the Tribes. By adopting this Plan, your Tribal Council will be at the forefront in bringing a valuable benefit to your Tribal Members."

– Thad D. Hamilton,
AIF, CEBS, SPHR
CEO

TRI-AD

About the Financial Legacy Benefit Plan

The Financial Legacy Benefit Plan (also known as a Deferred Per Capita Savings Plan) is a tax-advantaged way for Tribal Members to defer a portion of today's per capita distribution to future years. Deferred income plans are a strategy that corporate executives regularly use to accumulate capital.

The few tribes who have adopted these plans have worked closely with both their attorneys and the IRS to ensure that the Financial Legacy Benefit Plan meets regulatory requirements. Taking advantage of this opportunity can create tremendous financial advantages for Tribal Members, their families and future generations.

What are the Main Benefits?

There are two main benefits to using the Financial Legacy Benefit Plan model: current tax reduction and tax-deferred savings. These two forces combine powerfully for plan participants – and the younger the participant, the more dramatic the impact is.

Here's an example: Michael is the executive director of a non-profit, and is using the majority of his per capita distributions to pay off some old debts and build a home. He doesn't want to tie up too much of his income in a long-term investment at this point because he knows he will have expenses for his daughter as she grows. However, he recognizes that governments can be fickle, and that he would like to make the most of the current situation. He decides to save $2,500 per month through the Financial Legacy Benefit Plan. He wants to have the money available when his daughter moves away for college so he defers for 15 years.

Michael, Age 30	
Monthly Contribution	$2,500
Actual reduction in per capita monthly take-home payment due to current tax savings on the $2,500 contribution:	$1,400
Account balance at 45*	**$792,000**

* Assumes 7% return on investment and continuous monthly contributions.

Five Reasons
To Offer This Plan

Protection:

The Tribe's prosperity is somewhat at the whims of elected officials. Gambling regulations can change very rapidly, so it makes sense to safeguard the future.

Lower current taxes:

By deferring income into the future, Tribal Members lower their current tax burden and hold onto more of the money they receive today. This tax savings can easily be in excess of 40% depending on the state in which the Tribal Member lives and the size of the deferral.

Put *all* the money to work:

Plan contributions are tax-deferred. By not paying taxes on that money today, participants invest their whole before-tax dollar, rather than the approximately 60 cents on that dollar they would have if they were to invest it after-tax.

The Financial Legacy Benefit Plan gives investors tremendous flexibility in investment vehicles. And since current taxation on earnings isn't an issue, the best investment choices can be made regardless of current tax consequences.

With full-dollar investing and true investment flexibility, the difference in outcome is huge!

Build a sturdy financial solution:

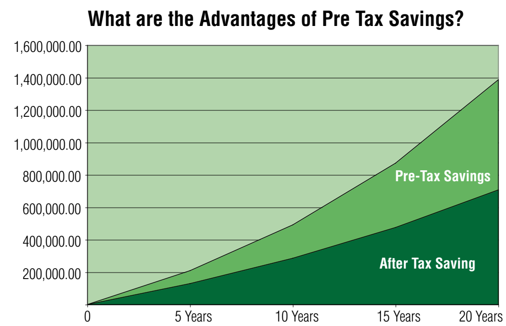
By managing per capita payments properly, including saving "off the front of the payment" by using this Plan, Tribal Members can build their own financial solution for the future.

Create a legacy:

The money will be there for Tribal Members, their families, and for future generations.

How the plan **Works**

Deferred income plans function on what is called a "plan year." The IRS requires participants to enroll for the Plan year *at least 30 days before the plan year starts.* The Election Form specifies the percentage of per capita distribution to be deferred, how far into the future it will be deferred, how it will be invested, and how it will be distributed.



Once the participant has enrolled and the plan year starts, the deferrals will start coming out of the monthly per capita distributions and are invested according to the investment instructions. The participant can change the investment instructions at any time.

The money becomes available on the distribution date in the future (or distribution dates, if the participant elected a phased distribution). Because it is not accessible before that, it creates a secure savings and investment vehicle.

Some additional key points are:

- Participants make a separate election for each year.
- Once the election has been made, it cannot be changed during that year.
- If a participant fails to make an election for the next year, you can have the prior year's instructions continue into the next year.
- Participants may not access the money until the distribution timeframe they have designated on their election forms. The only exception to this is typically for a financial hardship.
- Participants may change their investment mix at any time.
- Participants can change their beneficiary elections at any time. In the case of a death the account balance goes to the designated beneficiaries.

The single-source provider for all your benefits administration needs

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