

# DISCRIMINATION TESTING WORKSHEET

**COMPANY NAME:** \_\_\_\_\_

**PLAN YEAR: 2005**

## KEY EMPLOYEES IRC 416(i)(1)(A)

List all employees who, **at any time during the 2005 plan year**, fit into one or more of the following four categories. An employee may be classified as a key employee on the basis of more than one category. *When listing key employees on this page, list each employee only once.*

<b>BOX #1 List all employees with more than 5% ownership*:</b>		
<b>Employee Name</b>	<i>Estimated Pre-Tax Premium Deductions for 2005(DO NOT include Medical or Dependent Care Spending Accounts)</i>	<i>Estimated Employer Premium Contribution for 2005</i>

<b>BOX #2 List all employees having more than 1% ownership* <u>and</u> annual compensation greater than \$150,000:</b>		
<b>Employee Name</b>	<i>Estimated Pre-Tax Premium Deductions for 2005(DO NOT include Medical or Dependent Care Spending Accounts)</i>	<i>Estimated Employer Premium Contribution for 2005</i>

<b>BOX #3 List each employee who is a spouse or relative (ex. Grandparents, Father, Mother, Son, Daughter) of any individual listed in box #1 &amp; 2:</b>		
<b>Employee Name / Relationship</b>	<i>Estimated Pre-Tax Premium Deductions for 2005(DO NOT include Medical or Dependent Care Spending Accounts)</i>	<i>Estimated Employer Premium Contribution for 2005</i>

<b>BOX #4 List all officers** with compensation greater than \$135,000 annually:</b>		
<b>Employee Name</b>	<i>Estimated Pre-Tax Premium Deductions for 2005(DO NOT include Medical or Dependent Care Spending Accounts)</i>	<i>Estimated Employer Premium Contribution for 2005</i>

## ALL OTHER EMPLOYEES

<b>List the lump-sum total of premium amounts for participant NOT LISTED above. (DO NOT INCLUDE medical spending account or dependent care account deductions.)</b>	<i>Estimated Pre-Tax Deductions</i>	<i>Estimated Employer Premium Contributions</i>
	\$	\$

\*Ownership includes capital, stocks, or business profits. Please include stock granted under an unrestricted stock option plan as part of ownership. A schedule should be provided which contains all stock (with voting rights) options granted and unexpired. Restrictions would include, but are not limited to, employment status and vesting.  
 \*\*Officers include all administrative executives or those with positions such as the president, vice-president, treasurer, general manager, or secretary of a corporation.

	Highly Compensated Employees	Non-Highly Compensated Employee
Total number of employees		
Ineligible under the plan (part-time)		

**FOR USE BY S CORPORATIONS ONLY:**

<b>BOX #1</b> List all more-than-2% shareholders and family members(spouse, children or parents) during the prior or current plan year:	
<b>Name</b>	<i>Estimated Pre-Tax Premium Deductions for 2005*</i>

**IMPORTANT**

\* The IRS has stipulated that more than 2% shareholders in an S corporation are treated like partners. Therefore, they are not employees and cannot participate in a Section 125 Plan. Also, please note that the constructive ownership rules would prevent the spouse, parent, or child of a more-than-2% shareholder-employee in an S corporation from participating in the plan, since these individuals would be deemed to be more-than-2% shareholders. **If you entered an amount in Box #1, please contact Human Resource Administrators immediately.**

**FOR ALL COMPANIES**

⇒ ***PLEASE NOTE*** ⇐

These worksheets are used to perform the necessary Discrimination Testing on your Section 125 Plan. The test results depend on the accuracy of the completion of this form.