



Employer Benefit Program Proposal

For

Offering

1417Power Employer Payroll Deduction Discount Program

Providing a 5% discount for

Payroll Deduction



Proposal:

1417Power is pleased to present our unique Employer Benefit Program for your consideration. When you partner with 1417Power you will be providing your employees an additional 5% discount on their 1417Power program. Plus, 1417Power will pay you \$50 for each of your employees that join our program.

Employer Benefit:

1417Power will pay you \$50 for every employee that becomes a 1417Power Client as a result of your offering this program and utilizing your payroll deduction service. You make the decision as to how these rewards are paid. To receive this payment requires a tax number. We will report the sum total of all payments on an IRS form 1099-misc.

By offering this benefit to your employees, they receive an additional 5% discount on their individual 1417Power program. This can be worth hundreds, even thousands of dollars. The benefit is a discount in their cost. As you may know, discounts are not a taxable event. Every employee that enrolls receives a discount.

Your employees have total control of their independent plan. Their enrollment is month to month. Their discount continues as long as they continue payroll deduction payments.

By offering the 1417Power program to your employees, you have a competitive advantage in attracting and retaining the best employees.

After you have become a 1417Power Employer Benefits Program Partner, 1417Power will pay you \$250 for each company you refer that becomes a 1417Power Employer Benefits Program Partner. To qualify your referral, you will need to provide an endorsement, and introduction to a decision maker. The referral qualifies if they have a minimum of 3 employees that join the 1417Power program.

1417Power Program Benefit Value:

The value of the 1417Power Program is:

1. A legal path to building tax exempt wealth for future generations. Your employee's children or grandchildren are at risk of reduced Social Security benefits when they retire. The government created the Roth IRA as a means to offset this loss. The Roth IRA currently is limited to the lesser of \$5,500 or W-2 box 1 earned income each year. 1417Power provides employment starting at age 14 to maximize the Tax Exempt compounding opportunity of the Roth IRA. Starting a Roth IRA at age 14 results in 52 years of compounding before typical age 67 retirement.

The after tax difference at retirement between \$3,000 deposited at age 14 in a Roth IRA versus



\$3,000 deposited in a 401K at age 30 is \$861,000 versus \$118,000*. The value of **Tax Exempt** and more years of **compounding** cannot be over stated.

* The future value of the Roth IRA is a mathematical calculation based on the 11.5% annual rate of return of the S&P500 Index over the last 50-years. It is not a forecast or prediction. Past performance of an index or fund is not a predictor of future performance.

2. Work experience. 1417Power uses the Internet and other technology to offer skills and experience building employment starting at age 14. Early life real work experiences at 1417Power develops critical life skills, including being punctual, following a schedule, performing assigned tasks, and having performance evaluation.
3. E-learning
 - i. Ethics – Secular ethics based on Rotary International’s “The 4-Way Test ethics framework”: Of the things we think, say and do;
 1. Is it the TRUTH?
 2. Is it FAIR to all concerned?
 3. Will it build GOOD WILL and BETTER FRIENDSHIPS?
 4. Will it be BENEFICIAL to all concerned?
 - ii. Money Management – Budget planning, spending tracking and reporting, with analysis to help Student Employees learn how to manage spending.
 - iii. Time Management – Time use planning, activity tracking and reporting, with analysis to help Student Employees learn how to manage time and priorities.
4. Reading & Comprehension – Designed to improve the Student Employee’s computer test taking skills, improve reading skills, and as a base line skills assessment.

Introducing the 1417Power Program Benefit to your Employees:

There are several options for communicating your offering of the 1417Power Program to your employees. I will work with you to identify the overall introduction plan, methods, and communication channels. The options include (but are not limited to):

Employee Webinars: The most effective communication is to have 1417Power make a webinar presentation for your employees. These can be scheduled events with groups or individuals were I would be available for via phone to answer general questions and schedule individual sessions to develop custom program plans.

Announcements: Introduction of your 1417Power benefit program can be accomplished using personal or company email, workplace posters, and your employee in-house announcement



process.

If desired, 1417Power will provide document content for your use or we will use your contact list to send communications directly to your employees. You will have final approval authority on all communications methods and content.

Implementing the 1417Power benefit program:

Once you approve offering the 1417Power employer discount payroll deduction benefit to your employees, we proceed on to the following process:

- A. Mutually sign the 1417Power Payroll Deduction Discount Program Agreement
- B. Schedule a conference call with you to specify the program plan
 - a. Webinar presentation meeting schedules
 - b. Program introduction communication options
 - c. Registration of eligible employees for referral reward tracking
 - d. Your decision for receipt of \$50 referral reward proceeds
- C. Develop communications message content
- D. Approval of communications content
- E. Kick off the communications program
- F. Conduct webinar and or video sessions
- G. Schedule individual meetings
- H. Enroll employees in the 1417Power Program
- I. Provide employee name, and amount of payroll deductions on signed approval forms
- J. Provide new employee information packets
- K. Follow-up meeting with you to review
- L. Keep the channel of communications open for your feedback and services as needed

Your responsibilities:

As an employer offering the 1417Power Employer Benefit Program you agree to provide the following:

- E-mail an announcement of your offering the 1417Power program to all your employees. If email is not available, you will include 1417Power announcements in payroll distribution, or other company employee communications processes that reach all employees
- Provide your endorsement of the 1417Power Program
- Place our marketing materials in your New Employee Welcome Packet
- Allow us to conduct seminars to educate your employees
- Your voice over on a few slides of an introduction video that will be hosted at www.1417Power.com/yourcompanyname/Benefits.aspx. This video will be exclusive to your



employees. The video will introduce Your company's offering the 1417Power Program Benefit and explain the 5% additional discount

- Support mutually agreed to other announcements, and educational communications
- Establish after tax payroll deduction and remittance for each employee that subscribes to the 1417Power Program
- Remit the withholding amounts from every payroll cycle within 5 business days of the respective payroll dates
- Process change requests from employees and authorized requests from 1417Power for changes in the payroll deduction amount

Payroll deduction is easy:

If you already provide an insurance benefit via payroll deduction you already know how easy this is. If you don't have any experience in adding a payroll deduction, we will assist you in implementation. All payroll services and programs have the service / function to implement payroll deductions. You already have payroll deductions for income tax, Social Security, Medicare, insurance, retirement accounts, etc. The 1417Power Program uses this existing capability.

1417Power Program Description:

1417Power collects tuition from sponsors (parents, grandparents, companies, and others - individually or as a group) for a Student Employee ("SE"). The tuition will be used to pay SE wages (including employer FUI, SUI, payroll taxes, employee payroll and income withholding tax), contributions to the SE's Roth IRA, net take home wages and company operating costs. There are no book costs or other educational fees. The business is operated from its website: www.1417Power.com.

The SEs work from their home, using 1417Power's website to complete assignments in (a) Money Management, (b) Time Management (c) Ethics, (d) Reading and Comprehension and (e) **Market surveys and advertisement assessments**. Our education program is intended to be a supplement to the SE's primary schooling. SEs are paid for all time logged into 1417Power. The work experience is real life, with attendance and performance standards.

The wage earned is engineered to maximize the contribution to the SE's Roth IRA account and provide "take home" pay. SE's ages 14, 15, and 16 years old are protected by the federal and states' Child Labor Laws ("CLL"). 1417Power limits SEs' total attendance by limiting their allowed work periods to CLL allowed work windows. Our pay rates exceed the Fair Labor Standards Act requirements and all local, state and federal minimum wage requirements. SE's 17 and older are assigned higher level responsibilities and are exempt from CLL restrictions.



Fees:

Participation in the 1417Power Program ranges from \$250 to \$950 in monthly tuition on a month to month basis. There are Family (Group) and Prepayment Discounts. The following example shows the impact of combining these discount and the payroll deduction (based on bi-weekly payroll):

Example Family has three children and want the lowest cost program offered: The children's dates of birth are 6/15/2008, 4/15/2010 and 10/15/2012. They will receive Family, Monthly Prepayment and Payroll Deduction Discounts that result in: a fee of \$27.58 bi-weekly for 96 months followed by \$16.08 bi-weekly for 24 months followed by \$7.31 bi-weekly for 24 months. Each of the children will be employed by 1417Power as Student Employees following their respective 14th birthday for 12 months. During their employment periods each child would receive \$144 to \$198 in "take home pay" plus make \$1,315.32 to \$1,709.90* in deposits to their Roth IRA. The Roth IRA will grow TAX EXEMPT for 52 years and could total \$377,000 to \$500,000* in Tax Exempt wealth when they retire at age 67**.

* The higher value is based on earned credits that increase the SE's work hours.

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Method:

The amounts collected are deposited to a reserve account and accumulated until the child starts employment following their 14th birthday. Each of your employees that become 1417Power Clients signs an agreement that authorizes the payroll deduction and gives them the right to modify, suspend or terminate funding on a month to month basis. The agreement provides for a 100% refund in the event of the child's death prior to completing their employment. The amount needed to meet the total payroll will be deposited with PayChex®. PayChex® offers complete payroll processing services including; (i) payment of employer and employee payroll and withholding tax deposits, (ii) direct deposit to the employee's IRA accounts, and (iii) direct deposit of "take home pay" to the employee's bank account.

The Next step:

Contact Paul Lucking via email (paul.lucking@1417llc.com) or (615) 310-8915 to discuss this opportunity.