Oak Ridge 401(k) Savings Program

Are You on Track for Retirement?

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Many experts recommend being able to replace 70-85% of pre-retirement salary.

- Social Security replaces 34.6% of final pay to a worker at $64,738; 41.4% at $40,461; and 56% at $18,207.*
- Pensions, annuities and assets generate 28% of income of those 65+.
- Earnings from work represents 26% of income for those 65+. *(But 40% of retirees left the workforce earlier than planned due to health problems, company downsizing and workplace closure.)*

Source: *2007 Social Security Board of Trustees Report;
The Employee Benefit Research Institute (EBRI)
What are Workers' Expected Major Source of Retirement Income?, 2009

In Short

- Being able to retire will cost money.
- The government provides some assistance through Social Security, but more than 50% of your retirement income will come from your own resources.
- “Normal Retirement Age” is increasing, meaning you may not start receiving government assistance at age 65.
- Healthcare costs have a tendency to increase for individuals in retirement, and Medicare won’t kick in until you’re 65.
- People who create and follow through with their plans have more money in retirement.

By building and starting a savings plan today, you can not only **build your retirement savings**, but you can start **good savings habits** that could help you meet other financial goals, such as buying a home or paying for college.

Set Your Goals

- Before you plan, you must **set your goals**: comfortable retirement, paying for your children's education, buying a home, etc.
- Determine how your **finances play a role** in these goals.
- Perform a **self-assessment to determine your tolerance** for putting your finances at risk.
- Determine the **time horizons** for your goals.

Planning is About Creating

- A commitment to saving and investing
- A structure for spending

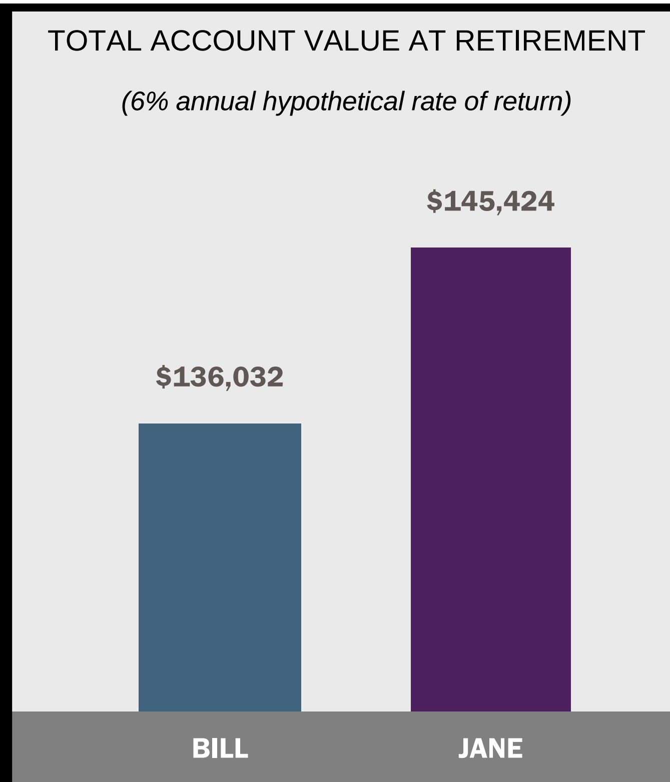
- Do I really know what my monthly expenses are?
- What do I have left at the end of the month?
- Am I putting away enough money to reach for my goals?
- Am I spending more than I can afford?

Savings=

+	1. The value of your savings and investing accounts
+	2. Your reward for spending less
+	3. Putting your money to work for you

The Impact of Saving Early

Bill didn't start saving in his company's retirement plan until he was 45 years old. He contributed $300 a month to the plan for 20 years, a total of $72,000. Jane, however, took advantage of her company's retirement plan beginning at age 25. She contributed only$100 a month for 20 years, a total of $24,000. Both Bill and Jane retired at age 65. Because Jane started early, she ended up with far more than Bill, even though he contributed three times as much per month. As you can see, it is important to start saving for retirement now.



Hypothetical for illustrative purposes only and are not intended to represent the past or future performance of any specific investment. The balances shown represent the amount contributed and the interest compounded annually. Assumes a hypothetical average rate of return of 8%, reinvestment of dividends and capital gains, and no current taxes paid on earnings in a retirement plan account. Schwab does not provide tax or legal advice.

Time Versus Inflation

Because inflation impacts your future buying power, it is important to consider the inflation factor when investing your money. In other words, to maintain your current standard of living during retirement, chances are you'll need a lot more money than you would need today.

Over the last 73 years, prices have been rising at an average annual rate between 3% and 4%.

- A $1.00 item today will cost $2.10 in 20 years.
- $50 worth of groceries will cost more than $95 in 20 years.

If the rate of inflation outpaces the rate of return on your investments, your account balance actually loses value, which puts your investment at risk. To calculate your real rate of return, simply subtract the rate of inflation from your investment returns. This will provide a more accurate measure of performance.

Inflation is probably one of the greatest threats to a long-term investor. That's why it's especially important to begin your savings plan early to better combat the inflation factor later down the road.

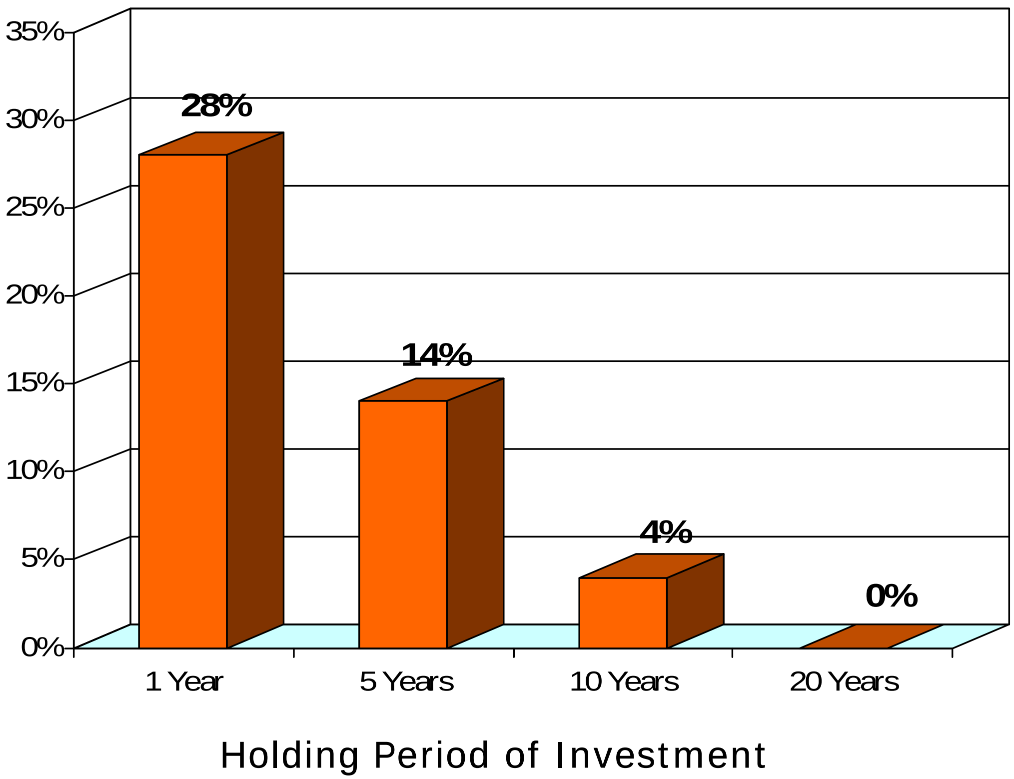
Source: Ibbotson Associates

Time Versus Inflation

Shopping Cart of the Future		
	2009	2030
Cup of Coffee	$1.50	$3.24
Refrigerator	$750	$1,820
Movie Ticket	$7.00	$16.99
New Car (Mid-size)	$20,000	$28,550
Stereo System	$1,000	$2,430
Postage Stamp	$0.42	$0.90

This is a hypothetical illustration only based on approximate cost of goods in 2009 with average annual rate of 3% rate of inflation.

Chances of Stock Market Losses 1926-2008



This chart illustrates the average percentage of time the S&P 500 Stock Index lost money over one-, five-, 10-, and 20-year overlapping time periods from September 30, 1926 to September 30, 2008. Out of 82 one-year periods, the S&P 500 was negative 28% of the time; out of 78 overlapping five-year periods, it was negative 14% of the time; out of 73 overlapping 10-year periods, it was negative 4% of the time; and out of 63 overlapping 20-year periods, it had no negative occurrences. Of course, this illustration is based on the performance of an unmanaged index. As such, no one can invest directly in an index.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

There can be no certainty any investment will be profitable regardless of the length it is held.

Source: Ibbotson Associates

What is Rebalancing?

If you build your own model *and* select the rebalance option or if you invest according to one of the models, your account will automatically be rebalanced twice a year to ensure that the percentages are regularly returned to their original alignment. For example, if you originally selected the Aggressive Model, at the time of rebalancing, your account breakdown might look something like this:

Aggressive Model (Original Alignment)		Aggressive Model (Prior to Rebalancing)	
Oak Ridge Stable Value	0%	Oak Ridge Stable Value	0%
Wells Fargo Advantage Ttl Return Bond I	5%	Wells Fargo Advantage Ttl Return Bond I	5%
Allianz NFJ Dividend Value Instl	14%	Allianz NFJ Dividend Value Instl	14%
American Funds Invmt Co of Amer R5	14%	American Funds Invmt Co of Amer R5	14%
American Funds Growth Fund of Amer R5	23%	American Funds Growth Fund of Amer R5	27%
Goldman Sachs Small Cap Value Inst	9%	Goldman Sachs Small Cap Value Inst	9%
Wells Fargo Advantage Small Cap Growth I	7%	Wells Fargo Advantage Small Cap Growth I	7%
American Funds EuroPacific Gr R5	28%	American Funds EuroPacific Gr R5	24%
Total	100%	Total	100%

In the example, the Large-Cap Growth Equity increased while the percentage in the International Developed Equity decreased. Rebalancing would bring your model percentages back into alignment.

Note: Losses are more likely when investing for a short period. Investments are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity. Unit price and return will vary, so you may lose money.

Saving Enough for Retirement

73%
must depend
on other people
(such as children or
relatives)

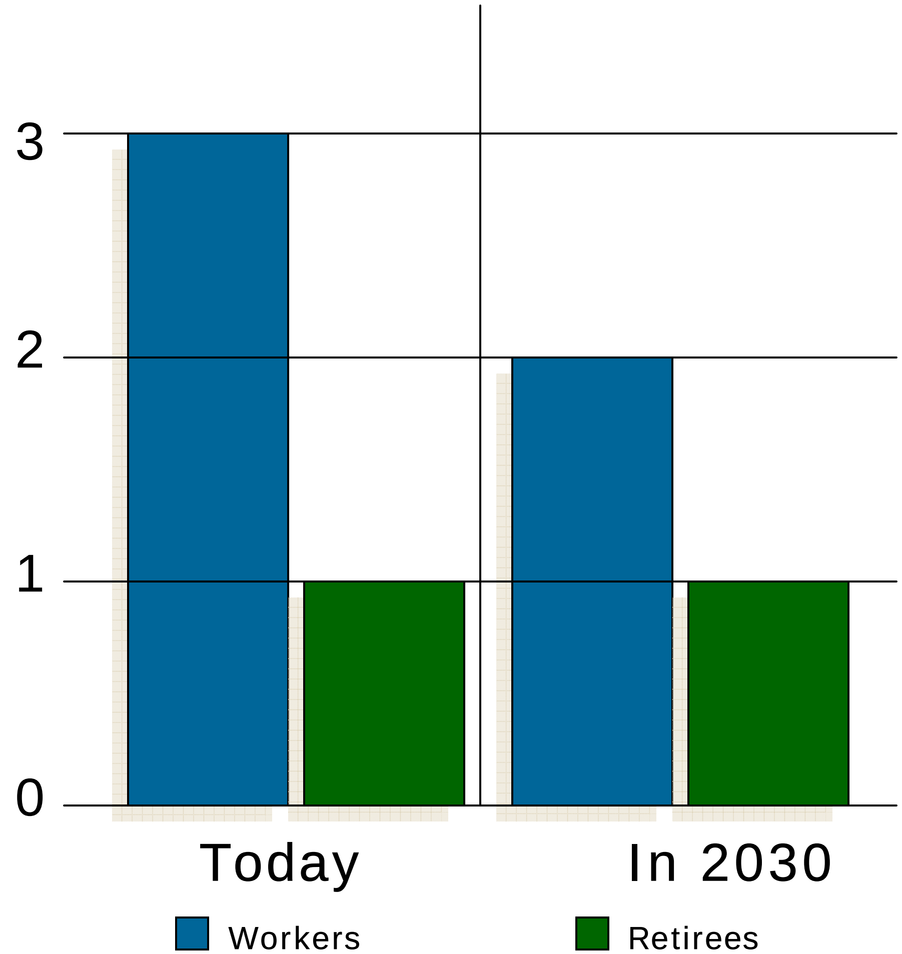
23%
have to keep working
to live comfortably

4%
financially secure enough to
have a comfortable retirement

Source: U.S. Department of Health and Human Services

The Facts about Social Security are Alarming…

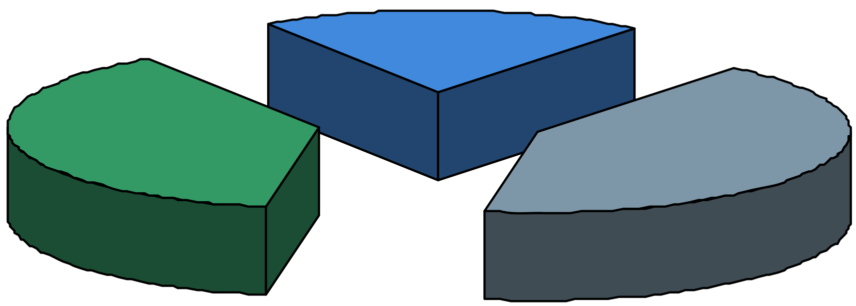
- **The American workforce that funds Social Security is shrinking:**
  - Today, there are three active workers contributing to Social Security for every retiree receiving benefits
  - In 2030, just two active workers will be contributing to Social Security for every retiree receiving benefits



Source: Social Security Administration

Your Income Sources at Retirement

- Currently, retirees depend upon Social Security for almost 40% of their retirement income.



Source: Social Security Administration

Retirement Needs

- High cost of healthcare – possibly long-term care
- Cost of living increases
- Travel expenses
- Home maintenance, property taxes and utility bills tend to increase
- Car repairs
- Insurance – home, car and health insurance might increase

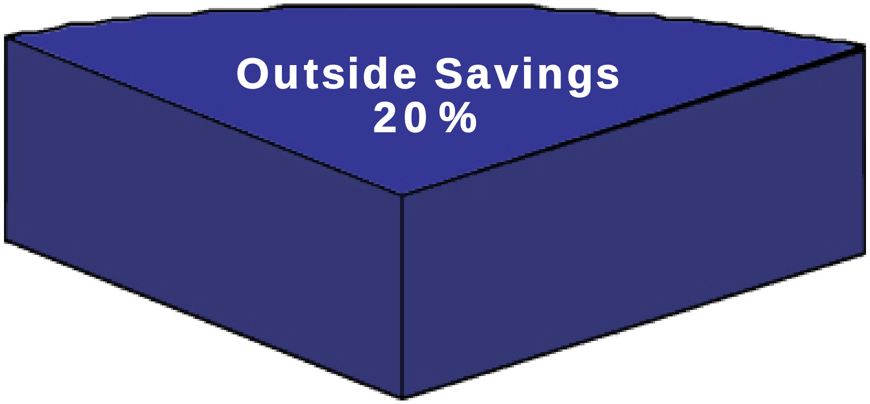
Gather Data

- **Gathering data** is essential, because where you are financially today will have a huge impact on the plan that's best for you.
- **Collect** all of your bank statements, insurance policies, and maybe even tax returns.
- **List your assets** (what you own) **and liabilities** (what you owe).
- **List your sources of income and expenses** and anything else that may be relevant to your finances.

Can My Savings Support My Plans?

- It is estimated that you will need about 6½ times your final salary in order for your retirement plan savings and Social Security benefit to replace 80%* of income. Your benefit from the Savings Program will reduce the amount you need to save on your own.
- The average 401(k) balance for those nearing retirement is three times final salary.
- Set measurable goals that are realistic and achievable.

*Depending on your plans in retirement, you may want to increase this amount.



Source: Employee Benefit Research Institute

What Can Cost More After Retirement?

- Home – maintenance, property taxes and utility bills
- Insurance – home, long term care and health insurance
- Medical expenses

What Can Cost Less After Retirement?

- Mortgage – most likely or almost paid off.
- Children – most likely or almost done paying for education.
- Travel – spend less on day-to-day travel and meals and might be able to have one car.
- Clothing – spend less on business-type clothing and dry cleaning.

Outside Savings

- Personal IRA
- Rollover IRA
  - Consolidate your retirement savings into one location
- Home Equity
  - Downsize to a smaller house or condominium
  - Relocate to area with lower cost of living

Analyze Data

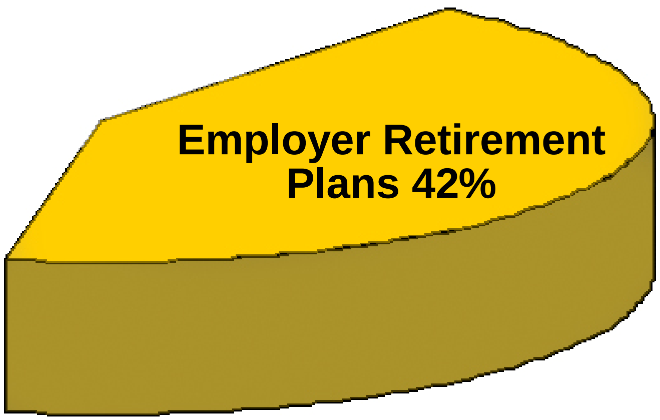
- From your data, **create a picture** of where you are financially.
- You'll see how your **assets are currently invested.**
- You can create a **personal "net worth" statement** and a statement of your annual cash flows.
- From here you can determine **where your shortfalls or excesses are** so you know what you need to change.

Create a Plan

- Now you're ready to **create a roadmap** to your goals, taking into account your time frame and risk tolerance.
- Immediate changes may include adjusting your **asset allocation**, **diversifying** how you're invested, or you may need to **create a budget** from scratch.
- Longer-term changes may be **changing your spending or saving habits** over time.

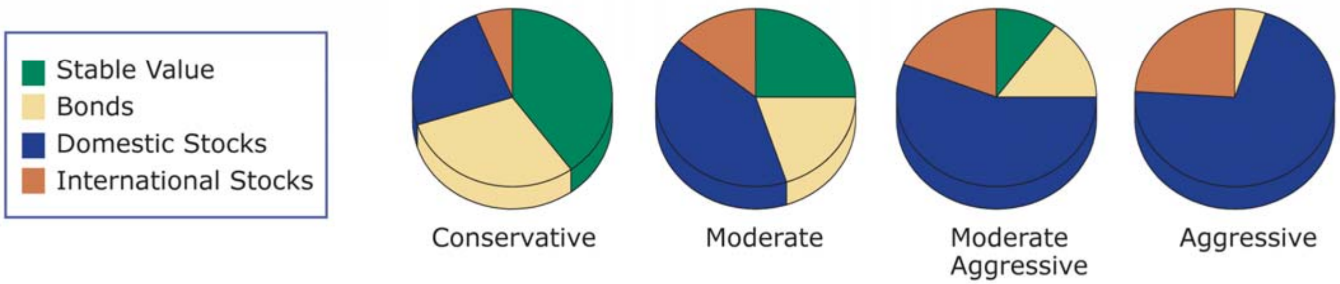
Some Steps to Help You Get There

- Look at retirement planning and saving as a continuous, evolving process, rather than an etched in stone plan.
- Re-evaluate goals periodically.
- Keep up with your contributions. When you get a raise or pay off a debt, put some of that money toward increased 401(k) contributions.
- Utilize the tools on www.401kaccess.com/oakridge (online interactive education).



Asset Allocation

Fund Name	Strategic Asset Class	Conservative Model	Moderate Model	Moderate Aggressive Model	Aggressive Model
Oak Ridge Stable Value Fund	Stable Value	40%	25%	10%	0%
Wells Fargo Advantage Ttl Return Bond I	Domestic Bonds	30%	20%	15%	5%
Allianz NFJ Dividend Value Instl	Large-Cap Value Equity	7%	10%	12%	14%
American Funds Invmt Co of Amer R5	Large-Cap Value Equity	7%	10%	12%	14%
American Funds Growth Fund of Amer R5	Large-Cap Growth Equity	9%	15%	18%	23%
Goldman Sachs Small Cap Value Inst	Small-Cap Value Equity	0%	4%	7%	9%
Wells Fargo Advantage Small Cap Growth I	Small-Cap Growth Equity	0%	2%	5%	7%
American Funds EuroPacific Gr R5	International Developed Equity	7%	14%	21%	28%
	Total	100%	100%	100%	100%



Investors should consider carefully information contained in the prospectus, including investment objectives, risks, trading policies, charges and expenses. You can request a prospectus by calling Participant Services at 1-800-777-4015. You may also request a prospectus at www.401kaccess.com. Please read the prospectus carefully before investing.

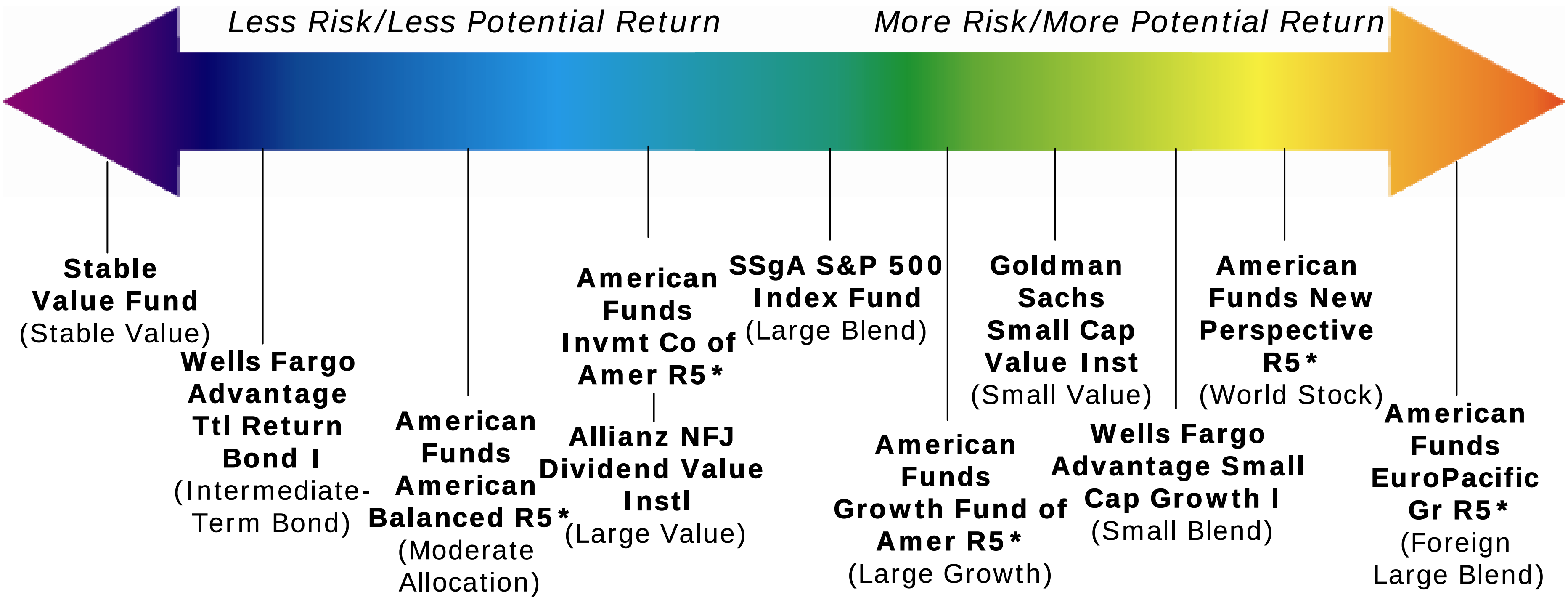
Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than original cost. Bond funds are subject to increased loss of principal during periods of rising interest rates. Small-cap funds are subject to greater volatility than those in other asset categories. International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, political instability, foreign taxes and regulations, and the potential for illiquid markets.

Asset class performance varies from year to year

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Highest Return	Small growth 43.1%	Small value 22.8%	Small value 14.0%	Bonds 10.3%	Small growth 48.5%	Small value 22.2%	International 13.5%	International 26.3%	Large growth 11.8%	Bonds 5.2%
	Large growth 33.2%	Bonds 11.6%	Bonds 8.4%	T-bills 1.7%	Small cap 47.3%	International 20.2%	Large Value 7.1%	Small value 23.5%	International 11.2%	T-bills 1.8%
	International 27.0%	Large value 7.0%	T-bills 4.1%	Small value -11.4%	Small value 46.0%	Small cap 18.3%	Large growth 5.3%	Large Value 22.2%	Small growth 7.1%	Small value -28.9%
	Small cap 21.3%	T-bills 6.0%	Small cap 2.5%	Large value -15.5%	International 38.6%	Large value 16.5%	Large cap 4.9%	Small cap 18.4%	Bonds 7.0%	Small cap -33.8%
	Large cap 21.0%	Small cap -3.0%	Large value -5.6%	International -15.9%	Large value 30.0%	Small growth 14.3%	Small value 4.7%	Large cap 15.8%	Large cap 5.5%	Large value -36.8%
	Large value 7.3%	Large cap -9.1%	Small growth -9.2%	Small cap -20.5%	Large growth 29.7%	Large cap 10.9%	Small cap 4.6%	Small growth 13.3%	T-bills 4.7%	Large cap -37%
	T-bills 4.7%	International -14.2%	Large cap -11.9%	Large cap -22.1%	Large cap 28.7%	Large growth 6.3%	Small growth 4.2%	Large growth 9.1%	Large value -0.2%	Large growth -38.4%
	Bonds -0.8%	Large growth -22.4%	Large growth -20.4%	Large growth -27.9%	Bonds 4.1%	Bonds 4.3%	T-bills 3.0%	T-bills 4.8%	Small cap -1.6%	Small growth -38.5%
Lowest Return	Small Value -1.5%	Small growth -22.4%	International -21.4%	Small growth -30.3%	T-bills 1.1%	T-bills 1.2%	Bonds 2.4%	Bonds 4.3%	Small value -9.8%	International -43.4%

Source: Schwab Center for Financial Research with data provided by Morningstar, Inc. Asset class performance is represented by total annual returns of the following indices: S&P 50Q® Index (large cap), Russell® 1000 Growth Index (large-cap growth), Russell 1000 Value Index (large-cap value), Russell 2000 Index (small cap), Russell 2000 Growth Index (small-cap growth), Russell 2000 Value Index (smallcap value), MSCI EAFE Net of Taxes (international stocks), Barclays Capital U.S. Aggregate Index (bonds), and Citigroup U.S. Domestic 3-Month Treasury bills (T-bills). Returns assume reinvestment of dividends, interest, and capital gains. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. Past performance is no indication of future results.

Short-Term Risk/Long-Term Return



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*Class R share results for the 10-year period are hypothetical based on Class A share results and have been adjusted to reflect the Class R expense ratio. Please see the fund's prospectus for more information on specific expenses, and the fund's most recent shareholder report for actual date of first sale.

In Your 20's

- Try to save as much of your income as possible for retirement.
- Resist the temptation to cut back on retirement savings. Try to maximize the **company match** and contribute at least 6% to receive the full 4% company match. Oak Ridge contributes $1.00 for the first 2% and $0.50 for the next 4% of pay you contribute.
- Remember – even small contributions to your retirement plan can grow substantially over time.

In Your 30's

- Try to save as much of your income as possible for retirement.
- **Track your spending** to find ways of cutting back.
- Put **as much extra income** (tax returns, bonuses, etc.) as possible into retirement savings. Try to contribute at least to the company match.
- Save for retirement **even if** you are also saving for your children's college expenses or paying a mortgage.

In Your Early 40's

- Try to save as much of your income as possible for retirement.
- **Max out** your 401(k) plan contributions.
- Contribute to a **traditional or Roth IRA,** if eligible.

In Your Mid- 40's

- Try to save as much of your income as possible for retirement.
- **Max out all tax-deferred** retirement account options.
- Contribute to a **traditional or Roth IRA**, if eligible.

Implement Plan

- Financial planning isn't just for paper, now you must **put your plan into action.**

- **Abide by your budget.** Start contributing to your retirement plan, or change your asset allocations.

Monitor Plan

- Once your plan is in place, **check on it periodically** to make sure your on track. Twice a year should do it.
- **Periodically rebalance** your investments to make sure you're asset allocation is on target.
- Be sure to **make adjustments** as major life changes (new baby, job change, etc.) occur.

Retirement Needs Worksheet

Retirement Needs Worksheet

Use this worksheet to estimate how much income you may need in retirement and how much you may have to save to help provide that income.

	Example	You
Line 1		
Your current yearly income	$30,000	$______
Line 2		
Estimated yearly income you need at retirement (Figure at least 80% of your current annual income just to maintain your standard of living.* Example: $30,000 x 0.80)	$24,000	$______
Line 3		
3A. Estimate your future Social Security benefit. Insert the estimated benefit from the annual statement you receive from the Social Security Administration (SSA) or from the SSA's benefits calculator available at www.ssa.gov. If you don't have your estimated benefit available, multiply Line 1 by 0.25 (up to a maximum of $27,876) for a conservative estimate of your benefit	$7,500	$______
3B. Estimate your employer pension benefit. Insert the estimated future annual benefit amounts you expect to receive from your pension plans. Locate the appropriate monthly pension estimate from your Annual Benefits Statement and multiply by 12 to get the annual amount. (Example: $500 x 12)	$6,000	$______
3C. Add the sum of 3A and 3B	$13,500	$______
Line 4		
To determine the estimated annual income you will need to replace through retirement savings and personal assets, subtract the amount shown in 3C from Line 2. (Example: $24,000 - $13,500)	$10,500	$______
Line 5		
Now adjust your current replacement income for inflation by multiplying Line 4 by the inflation factor (3%) from the accompanying table below. (For this example, we assume 20 years left to retirement. Thus, we multiply $10,500 by 1.81)	$19,005	$______
Line 6		
Value of your current assets (savings, investments, etc.) adjusted for growth. (Example: $25,000 multiplied by an investment factor of 3.21, assumes 6% return over 20 years, from the table below)	$80,250	$______
Line 7		
To determine how much you would need to have at retirement to give you the yearly income calculated in Line 5, multiply Line 5 by 15. (Assume you will need at least 15 years of retirement income)*	$285,075	$______
Line 8		
Subtract Line 6 from Line 7 to find out how much you'd need to save	$204,825	$______
Line 9		
To determine how much you would have to save each year in order to work toward your retirement goal in Line 8, divide Line 8 by the present value factor in the accompanying table. (Example: $204,825 ÷ 36.79, assumes 6% return over 20 years)	$5,567	$______
Line 10		
To calculate the amount you need to invest each month toward retirement, divide Line 9 by 12	$464	$______
10A. Divide Line 1 by 12 (Example: $30,000 ÷ 12)	$2,500	$______
10B. This is the percentage of your income you will need to save each year. Divide Line 10 by Line 10A. (Example: $464 ÷ $2,500)	18% (0.18 x 100)	______%

Number of Years Until Retirement	5	10	15	20	25	30	35	40
Inflation Factor (3% inflation):	1.16	1.34	1.56	1.81	2.09	2.43	2.81	3.26
Investment Factor (6% return):	1.34	1.79	2.40	3.21	4.29	5.74	7.69	10.29
Investment Factor (8% return):	1.47	2.16	3.17	4.66	6.85	10.06	14.79	21.73
Present Value Factor (6% return):	5.64	13.18	23.28	36.79	54.86	79.06	111.43	154.76
Present Value Factor (8% return):	5.87	14.49	27.15	45.76	73.11	113.28	172.32	259.06

*Future investment returns cannot be predicted and your actual returns and principal value will differ. The number of years you will be retired may differ from the assumption, as may the rate of inflation.

Schwab Retirement Plan Services provides recordkeeping and related services with respect to retirement plans.

Oak Ridge 401(k) Savings Program

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Oak Ridge 401(k) Savings Program

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Overview | Retirement Savings Tools | Investment Tools & Guidance | Plan Library | Reference

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Tools/Reference Overview

Retirement Savings Tools

Retirement Calculator Calculate the impact on your paycheck and project your future balance.
Social Security Estimator Link to this tool for personalized Social Security benefits estimates.
Financial Planning Library Calculators and articles to help you plan.
Planificación Financiera y de Jubilación Spanish financial planning library.

Investment Tools & Guidance

Investor Profile Questionnaire Determine your investment risk tolerance.
Learning Station Information to help you make smart investment decisions.

Plan Library

Plan Literature Find out more about your retirement plan.

Reference

Current Limits Review annual retirement plan limits.
FAQs Check here first for answers to your questions.
Glossary Get more information about terms you see used in your plan account.

Additional Information

- **Oak Ridge 401(k) Savings Program**
  - www.401kaccess.com/oakridge, you will need your Account Number (or Web ID) and web password.
  - Participant Services at 1-800-777-4015 from 8:00 a.m. to 10:00 p.m. Eastern time. You will need your PIN and one of the following: Account Number, Web ID or VRU ID.
- **Your Human Resources Representative**

Plan now for retirement!

Take advantage of the power of the Savings Program:

- **The opportunity to save enough for retirement**
- **Ease in making the investment decision**