

Dear Ronnie,

This personal Total Compensation Statement is one of the ways that we want to show you how much we appreciate your contribution to the success of Idaho River Shipping. This summary of benefits is intended to help you take full advantage of the value of the complete range of benefits that are available to you through IRS. We have made every effort to accurately report your benefits. If there are any inconsistencies between this report and the legal plan documents, the plan documents will govern.

I encourage you to review this report carefully and to retain it for future reference. If you have any questions, your Human Resources Department/Employee Benefits Department will be happy to help.

Each IRS employee makes a contribution to the overall team and we are proud of the effort that you have put forth this year.

Thank you, again, for all of your dedication and hard work.

Sincerely,

Lulu Cassaloninittxkoloka
Director of Human Resources

Alvin Anderson
Employee Benefits Manager

2008 Gross Wages **\$103,761**

Your Wages can be further 'divided' into the two categories displayed below.

On the Job Pay

Regular Earnings (excluding Time Off)	\$89,500
Overtime Earnings	\$0
Other Awards and Bonuses	\$2,660
Year End Adjustments	\$0

Total On the Job Pay **\$92,160**

Paid Time Off Benefits

* Vacation Allowed	\$7,859
Holiday Pay	\$3,742
Other (Jury Duty, Military Pay)	\$0
Sick Leave (160 hours earned)	\$0

Total Paid Time Off **\$11,601**

2008 Gross Wages **\$103,761**

* Vacation Allowed may include buybacks

Other Benefits

Medical/Dental Care Plan	\$11,748
Employee Health Services	\$241
Life Insurance	\$573
Disability Insurance	\$321
Safety Allocation	\$0
Social Security/Medicare	\$7,820
IRS Retirement	\$11,974

Total Other Benefits **\$32,677**

Total Compensation **\$136,438**

Prepared for: Iam Employee

Hire Date: 2/1/1996

Department: 9008

Figures below are as of 12/31/08 and reflect a full calendar year of work, based on a 40 hour week (except where noted).

Your 2008 Total Compensation

On the Job Pay
 Paid Time Off Benefits
 Other Benefits



**Your benefits were
43% of your Gross Wages
or 32%
of your Total Compensation**

Health

Medical Plan

During 2008, you were enrolled with Family coverage in the IRS Group Medical Plan. The schedule of benefits under the Plan is:

- Deductibles: \$350 single/\$700 family of two/\$900 family of three or more
- Medical and Office Visits:
In-network, the plan pays 80% of covered services after the deductible(s) has been met.
Out-of-network, the plan pays 60% of covered services after the deductible(s) has been met.
- Out-of-pocket:
In-network \$1,500 single/\$4,000 family
Out-of-network \$3,000 single/\$8,000 family
- Preventive: covered services paid at 100%

IRS' 2008 Estimated Cost for Your Medical/Dental Coverage: **\$11,748**

Your 2008 Pre-Tax Cost for Medical/Dental Care Coverage: **\$1,572**

Prescription Drug Plan

Your Health Care Plan includes coverage for prescription drugs. You may purchase up to a month's supply at participating retail pharmacies. You can also use the mail order program to receive a 90-day supply delivered to your home. The schedule of benefits under Plan is:

	Walk-ins	Mail Orders
Generic	\$7	\$14
Preferred Brands	\$25	\$50
Non-Preferred Brands	\$40	\$80

Dental Care

During 2008, you were enrolled with Family coverage in the IRS Group Medical Plan, which also covers Dental care.

The schedule of benefits under the Plan is:

- Preventive: the plans pays 100% of reasonable & customary charges for two teeth cleanings & a set of bitewing x-rays annually.
- Deductibles \$50 single/\$100 family.
- Basic & Major Services: the plan pays 80% of reasonable & customary charges after the deductible(s) has been met.
- Annual Maximum Benefit: \$2,500 per covered participant.

Employee Health Services

Two IRS nurses are available to provide various medical services. In addition, a physician can see employees by appointment on Tuesday and Thursday afternoons at the IRS Employee Health Services. These services are paid 100% by IRS.

IRS' 2008 Estimated Cost per Employee For Employee Health Services: \$241

Insurances

Voluntary Health Insurance

You have chosen not to purchase voluntary medical coverage through AFLAC, which pays a defined benefit hospitalization, diagnosis, and other coverage. Premiums are payroll deductible on a pre-tax basis.

Flexible Spending Accounts (FSAs)

Medical Reimbursement Account: You may set aside up to \$5,000 per year.
Child Care Reimbursement Account: You may set aside up to \$5,000 per year if you are filing a single or joint tax return. However, if you are married and filing separate tax return, the maximum amount is \$2,500 per year.

Your 2008 Medical Reimbursement Account Contribution: \$0
Your 2008 Child Care Reimbursement Account Contribution: \$0

Life, AD&D and Dependent Life Insurance

Group Life Insurance is provided to you by IRS. Group Life Insurance coverage is payable at 2.5 times your annual salary. Upon your death, your beneficiary will receive a benefit equal to: **\$244,000**.

Accidental Death and Dismemberment Insurance coverage is payable at 2.5 times your annual salary (in addition to your life insurance) if you die as the result of an accident. Upon your death, your beneficiary will receive a benefit equal to **\$244,000**. AD&D insurance also pays you a benefit if you suffer certain injuries as the result of an accident.

Dependent Life Insurance pays a benefit of \$5,000 to you upon the death of a covered dependent.

Supplemental Term Life Insurance

You have chosen not to purchase supplemental group term life insurance. This plan gives employees the opportunity to purchase additional life insurance for themselves and each family member at group rates.

Long Term Disability Insurance

IRS provides Long Term Disability insurance for you should you be considered to be totally disabled to perform the main duties of your job after being unable to work for a period of six months. This benefit would be payable at 60% of your monthly salary up to a maximum of \$5,000 per month. Benefits would continue as long as you are totally disabled up to age 65. Benefits would be reduced by income from IRS Retirement Plan, Workers' Compensation and Social Security.

Workers' Compensation

Report any unsafe conditions immediately.
"Set your attention to accident prevention."

Paid Time Off Benefits

IRS provided the following time off benefits:

- 168 paid vacation hours (GPA bought back a portion).
- 10 paid holidays
- Military Leave Pay
- Bereavement Leave
- You are eligible to receive sick pay.
You earned 160 hours during 2008.
- Jury duty pay

Plus the following Bonuses/Special Pay:

- Christmas
- Birthday
- Service Award
- Attendance Pay/Award

Value

\$7,859

\$3,742

\$50

\$50

\$2,560

And a Variety of Special Programs:

- Credit Union:
The IRS Credit Union membership is available to all IRS employees and their immediate families. Some of the services provided are savings accounts, checking accounts, CDs, ATM cards and Consumer Loans (personal, automobile/trucks, motorcycles and recreation vehicles).
- Employee Assistance Program:
IRS provides an Employee Assistance Program for employees and their covered dependents, to help with personal, emotional, alcohol or drug problems. This is provided at no cost to the employees and is completely confidential.

Retirement

Social Security

IRS contributes an amount equal to your own total Social Security and Medicare contributions. A monthly Social Security benefit may go to you and/or your dependents when you retire, become severely disabled, or die. The Social Security Administration mails you an annual "Earnings and Benefit Estimate Statement" verifying the earnings credited to your account and projected Social Security retirement benefits.

IRS Retirement (as of 6/30/2008)

The Retirement Plan of Idaho River Shipping is a Defined Benefit Plan. Your contribution is based upon 1% of your first \$9,000 in basic earnings during the Plan Year and 1 1/2% of such earnings in excess of \$9,000. Your annual Accrued pension on your normal retirement date at age 65 is the sum of your annual Benefit Credits. These Benefit Credits equal 2 1/4% of the first \$9,000 of your annual earnings for the Plan Year plus 3 1/4% of such earnings in excess of \$9,000.

Plan entry date: 2/1/96 Vesting date: 2/1/01
 Your total contributions: \$13,561
 Your total contributions plus interest: \$17,734
 Normal Retirement Date at age 65: 8/1/15

There are several retirement options available to you at the time you elect to retire. The two most popular are displayed to the right.

IRS Retirement Common Payout Options

Modified Cash Refund: You would receive a pension benefit during your lifetime. This will commence on the first day of the month following the date you retire and cease upon your death. With this option, your estimated projected monthly pension benefit at age 65 would be:

Without an annual general pay increase: **\$4,211**
 With an annual 3% general pay increase: **\$4,444**

100% Joint Annuity: You would receive a reduced annuity, which would provide you a pension benefit during your lifetime with a continuance of this benefit to your joint annuitant upon your death. Under this option, assuming your joint annuitant is 3 years younger than you, your estimated projected pension benefit at age 65 would have an adjustment factor of *84.7% and would be the following:

Without an annual general pay increase: **\$3,567**
 With an annual 3% general pay increase: **\$3,764**

* This adjustment factor will vary depending on the annuitant's age.

The IRS Retirement Plan is NOT like a Deferred Compensation or a 401(k) plan. In these plans, you decide *how much to invest* and assume all the risks that your investments will provide a sufficient return. The IRS Retirement Plan works 'opposite'. Calculations are made to determine *your retirement annuity*. While your contribution (investment) is determined by a fixed formula based upon your salary, IRS must assume the risk and responsibility to ensure the plan is properly funded. Over the past four years, IRS' annual **funding** to the Plan has averaged about **8.7** times the amount of your contribution. As a result, for the year ending 6/30/08: Your contribution to the Plan was: **\$1,369**
 IRS' estimated **funding** to the plan on your behalf was: **\$11,974**

Deferred Compensation Plan

You elected TO PARTICIPATE in the Deferred Compensation Plan during 2008, a supplementary retirement plan in which you are permitted to have a portion of your salary withheld on a pre-tax basis and invested for payment to you at a later date. You are eligible to contribute up to \$16,500 during 2009 (\$22,000 if age 50 or over). Any contributions you make could, with growth, create a substantial supplement to your Social Security and IRS Retirement Plan.

Your 2008 Pre-tax Contribution to the Plan was: **\$2,400.00**.
 Your Account Balance (12/28/2008) was: **\$4,201.18**.

The BIG Picture

Many retirement planners suggest that being able to retire with 80% of your pre-retirement earnings is an "acceptable goal". It can be educational to see "where we stand". It's better to know now rather than one year before retirement. By then, it's usually too late.

To the right is a "side-by-side" comparison, showing you what *could* happen if your wage remains stable versus an annual wage increase of 3%. For deferred compensation and level wage, we are assuming a 3% rate of growth. For deferred compensation (with 3% wage increase), we are assuming you will increase your monthly contribution each year by 3% (just like wages) and that the rate of growth will be 6% per year. Let's see if you are "on course" to achieve 80% replacement income or need to review your progress.

Side by Side

The figures below are an estimate and do NOT constitute a guarantee. In fact, it is highly UNLIKELY that the figures below will precisely match your eventual retirement income. **Consult with a qualified financial advisor for specific guidance. We project a 0% increase in Social Security retirement, which is prudent and more conservative!**

Estimated Annual Replacement Income at age 65 with a Level Wage (0% increase)

Projected Wage	\$97,301
Projected Need	\$77,841
IRS Retirement	\$50,532
Deferred Compensation	\$835
Social Security	\$26,976
Total Annual	\$78,343

81% of Annual estimated wage or, restated as 101% of Goal

Estimated Annual Replacement Income at age 65 with a 3% Annual Wage Increase

Projected Wage	\$116,576
Projected Need	\$93,261
IRS Retirement	\$53,328
Deferred Compensation	\$1,370
Social Security	\$26,976
Total Annual	\$81,674

70% of Annual estimated wage or, restated as 88% of Goal & displayed in the chart below



Based upon your Annual projected wage of \$116,576 your annual retirement income is projected to be **\$81,674, which is 70% of your Annual Estimated Wage (88% of Goal)**. If we accept the figure of 80% as valid, you are currently **UNDER GOAL**. You may have other assets that have been 'earmarked' for retirement. Regardless, it is better to know about a possible shortfall now, rather than later.

I am Employee
 DEPT #: 9008

About this Statement

A few words about...

Preparation

The benefits shown on this statement are based on your salary as of December 31, 2008 and do not account for any subsequent salary changes.

Social Security

All Social Security information is based on current law, which is subject to change by the government. Projections of Social Security benefits do not include future changes arising from increases in the cost-of-living index or in the Social Security wage base. These projections assume that you and your family are fully and currently insured and your current rate of earnings will remain unchanged until you retire.

Social Security legislation raised the age for normal retirement from age 65 to age 67. If you were born before 1938, this change will not affect you. For everyone else, the change will be phased in as follows:

Year of Birth	Normal Retirement Age
Before 1938	Age 65
1938-1942	65th Year
1943 - 1959	66th Year
After 1959	Age 67

If you have questions concerning the statement, please contact your Manager.

Cover photo of the Grand Boise Boat Launch by Henry Hemma

Your Total Compensation Statement



Cargo Declaration	
1. Name of Vessel: IRS TOTAL COMPENSATION	
2. Port of Discharge: Idaho River Shipping	3. Shipper: Human Resources Department
4. Ship Date: Every day, all day	5. Description of Goods: Your Wages & Benefits
6. Final Destination: Employees of Idaho River Shipping	