

Sample Plan

Qualified Plan Proposal

12/31/2019

Eligible Employees			
Employee	Age	Salary	Cash Balance Plan
Owner 1	58	\$ 280,000.00	\$ 174,000
Owner 2	49	\$ 200,000.00	\$ 174,000
Employee 1	41	\$ 100,000.00	\$ 9,200
Employee 2	37	\$ 70,000.00	\$ 9,200
Employee 3	33	\$ 50,000.00	\$ 9,200
Employee 4	29	\$ 40,000.00	\$ 9,200
Employee 5	25	\$ 30,000.00	\$ 9,200
TOTALS:		\$ 770,000	\$ 394,000
Employee Benefit (funded by employer):			\$ 46,000
Employer Benefit:			\$ 348,000
Percentage to Owners:			88%

Notes:

This is an *estimate* only and should not be used as a basis for a tax deduction. All numbers in this proposal are subject to change when the final census is received.

If a cash balance plan is adopted, please be aware your plan *may* be subject to PBGC coverage and therefore annual premium payments. These payments are based upon the number of participants in the plan and the plan's funded status. Please contact us for additional details.

Please note that the law requires participants in new cash balance plans be 100% vested in no later than 3 years.

Assumptions:

1 - Owners want equal contribution amounts but need more than what is allowed under a traditional 401(k) Profit Sharing Plan.

