

SAVINGS SOLUTIONS FOR BUSINESS OWNERS

Would you like to explore ways to lower your taxes and increase your retirement savings at the same time? Have you reviewed your current retirement plan design to see if it still makes sense for you? Many business owners and partners of firms are looking for larger tax deductions and accelerated retirement savings. Cash Balance Plans may be the perfect solution—check out the results from our case study below:

CASE STUDY	EMPLOYEE CONTRIBUTIONS				EMPLOYER CONTRIBUTIONS				COMBINED			
					NON-ELECTIVE	CASH BALANCE		PROFIT SHARING		TOTAL CONTRIBUTION		
	EMPLOYEE	EARNINGS	AGE	401(k) DEFERRAL	SAFE HARBOR CONTRIBUTION	\$	% PAY	\$	% PAY	\$	ER \$	%
	Owner	\$265,000	52	\$24,000	\$7,950	\$164,300	62%	\$27,050	10.2%	\$223,300	\$199,300	92%
	Employee	\$30,000	31	0	\$900	\$600	2%	\$1,200	4%	\$2,700	\$2,700	1.1%
	Employee	\$40,000	30	0	\$1,200	\$800	2%	\$1,600	4%	\$3,600	\$3,600	1.5%
	Employee	\$45,000	34	0	\$1,350	\$900	2%	\$1,800	4%	\$4,050	\$4,050	1.7%
	Employee	\$50,000	27	0	\$1,500	\$1,000	2%	\$2,000	4%	\$4,500	\$4,500	1.9%
	Employee	\$50,000	27	0	\$1,500	\$1,000	2%	\$2,000	4%	\$4,500	\$4,500	1.9%
	totals	\$480,000			\$14,400	\$168,600		\$35,650		\$242,650	\$218,650	



- Utilizing a Cash Balance Defined Benefit plan along with a Safe Harbor 401(k) profit sharing plan
- Maximum contribution for the owner—92% of total contribution
- Safe Harbor match 100% vested; cash balance and profits sharing subject to vesting schedule

RESULTS: \$242,650 tax deduction for the business + \$223,300 income deferral for the owner = \$105,000 approx. tax deferral

**This is a hypothetical example and is for illustrative purposes only. No specific investments were used in this example. Actual results will vary. Past performance does not guarantee future results. We are happy to run a complimentary customized analysis based on your own data. Securities and advisory services offered through Commonwealth Financial Network, Member FINRA/SIPC, a Registered Investment Adviser.*