



United Retirement Plan Consultants

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Cash Balance/401(k) Profit Sharing Combo

Consider adding a cash balance plan, and watch your opportunity to save grow. Let URPC help maximize your plan options.

Cash balance plans may be appropriate for companies when owners and target employees are:

- age 40 or older and generally older than the remaining staff
- want to generate a high tax-deductible contribution beyond the scope of defined contribution plans alone
- able to commit to funding the plan for at least five years

Employee	Age	Ret. Age	Annual Salary	Cash Balance \$	Cash Balance %	401(k) Deferral	3% SH	Profit Sharing	Total Allocation	% of Comp.
Principal 1	50	62	270,000	121,500	45%	24,000	0	16,200	161,700	60%
Principal 2	51	62	270,000	121,500	45%	24,000	0	16,200	161,700	60%
Subtotal			540,000	243,000		48,000	0	32,400	323,400	

Employee 1	56	62	200,000	4,000	2%	4,000	0	12,000	16,000	8%
Employee 2	26	62	40,000	800	2%	800	1,200	1,200	3,200	8%
Employee 3	36	62	27,000	540	2%	540	810	810	2,160	8%
Employee 4	25	62	20,000	400	2%	400	600	600	1,600	8%
Employee 5	62	66	51,000	1,020	2%	1,020	1,530	1,530	4,080	8%
Employee 6	52	62	54,000	1,080	2%	1,080	1,620	1,620	4,320	8%
Employee 7	45	62	68,000	1,360	2%	1,360	2,040	2,040	5,440	8%
Employee 8	37	62	35,000	700	2%	700	1,050	1,050	2,800	8%
Subtotal			495,000	9,900		9,900	8,850	20,850	39,600	

Grand total			1,035,000	252,900		57,900	8,850	53,250	363,000	
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Notes: Assumes each employee defers 2% in 401(k) contributions. Safe harbor and profit sharing contributions equals 6% of total compensation. For illustration purposes, employee 401(k) deferrals are not included in the total allocation.

2017 Plan Limits			
Qualified plan limits		IRA limits	
Maximum compensation	\$270,000	SIMPLE	
401(k)/403(b) deferral limits	\$18,000	Deferral contribution	\$12,500
401(k)/403(b) catch-up	\$6,000	Catch-up contribution	\$3,000
Annual contribution limit (age < 50)	\$54,000	Traditional or Roth	
Annual contribution limit (age > 50)	\$60,000	Deferral contribution	\$5,500
Taxable wage base	\$127,200	Catch-up contribution	\$1,000

Highly compensated employee: More than a 5% owner or earned \$120,000 in the prior year