



Some small business owners appear to have the Midas Touch when it comes to making money. In this case there were two owners who wanted a significant tax deferral for themselves and a lucrative retirement plan for their staff. We quantified what they would like to spend annually and designed the retirement plans appropriately. The total contribution to their 401(k) and Defined Benefit plan is \$713,320. Over a 5 year period they'll be able to deduct and shelter from creditors just over \$3,500,000. This plan design will work until there are some significant changes to their business climate.

ABC COMPANY, INC.
COMPANION PLANS
FOR THE PLAN YEAR ENDING DECEMBER 31, 2020
DEFINED BENEFIT PLAN

PARTICIPANT NAME	Age	SALARY	Defined Contribution				Defined Benefit		PRESENT VALUE OF ACCRUED BENEFIT	DC & DB TOTAL	% OF TOTAL EMPLOYER CONTRIBUTION
			401(K) DEFERRAL	SAFE HARBOR 3% CONTRIBUTION	EMPLOYER DISCRETIONARY	DEFINED CONTRIBUTION TOTAL	DEFINED BENEFIT COST	ESTIMATED MONTHLY BENEFIT			
MAJORITY OWNER	52	\$ 285,000.00	\$ 26,000.00	\$ 8,550.00	\$ 28,950.00	\$ 63,500.00	\$ 270,772.34	\$ 18,750.00	\$ 255,196.00	\$ 334,272.34	
MINORITY OWNER	42	\$ 114,518.00	\$ 19,500.00	\$ 3,435.54	\$ 34,064.46	\$ 57,000.00	\$ 157,059.44	\$ 9,543.17	\$ 70,475.00	\$ 214,059.44	
TOTAL FOR EMPLOYER		\$ 399,518.00	\$ 45,500.00	\$ 11,985.54	\$ 63,014.46	\$ 120,500.00	\$ 427,831.78		\$ 325,671.00	\$ 548,331.78	77%
EMPLOYEE 1	38	\$ 97,642.00	\$ -	\$ 2,929.26	\$ 5,292.20	\$ 8,221.46	\$ 113,245.37	\$ 8,136.85	\$ 52,183.00	\$ 121,466.83	
EMPLOYEE 2	25	\$ 63,836.00	\$ -	\$ 1,915.08	\$ 3,459.91	\$ 5,374.99	\$ 28,248.80	\$ 5,319.67	\$ 14,190.00	\$ 33,623.79	
EMPLOYEE 3	34	\$ 10,646.00	\$ -	\$ 319.38	\$ 577.01	\$ 896.39	\$ 9,002.05	\$ 887.18	\$ 4,259.00	\$ 9,898.44	
EMPLOYEE 4	19	\$ 851.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	MINIMUM SERVICE
EMPLOYEES		\$ 172,124.00	\$ -	\$ 5,163.72	\$ 9,329.12	\$ 14,492.84	\$ 150,496.22		\$ 70,632.00	\$ 164,989.06	23%
GRAND TOTAL		\$ 571,642.00	\$ 45,500.00	\$ 17,149.26	\$ 72,343.58	\$ 134,992.84	\$ 578,328.00		\$ 396,303.00	\$ 713,320.84	100%

This illustration is contingent upon several factors. Some of the factors are the demographic, financial and business ownership information provided to us. Should any of these factors change in any year, a plan adopted based on this illustration may require modification to an appropriate plan design. The actual contributions for the year illustrated can not be determined until actual compensation for the year is known.