

CONTRIBUTION ILLUSTRATION

**Sample Company, Inc. 401(k) and Cash Balance Plans
For the Plan Year 01/01/2019 through 12/31/2019**

EMPLOYEE	AGE	HCE STATUS	401(k) PLAN CONTRIBUTION SOURCES						CASH BALANCE		COMBINED PLAN		
			COMPENSATION	EMPLOYEE DEFERRALS	SAFE HARBOR	PROFIT SHARING	401(k) TOTALS	PAY CREDIT		EMPLOYER CONTRIBUTION	TOTAL CONTRIBUTION		
Owner	61	HCE	\$280,000.00	\$25,000.00	\$0.00	0.00%	\$26,740.00	9.55%	\$51,740.00	\$238,000.00	85.00%	\$264,740.00	\$289,740.00
HCE	57	HCE	\$151,999.00	\$3,900.00	\$0.00	0.00%	\$4,559.97	3.00%	\$8,459.97	\$0.00	0.00%	\$4,559.97	\$8,459.97
HCE	41	HCE	\$280,000.00	\$19,000.00	\$0.00	0.00%	\$8,400.00	3.00%	\$27,400.00	\$0.00	0.00%	\$8,400.00	\$27,400.00
Employee	65		\$16,355.00	\$1,024.19	\$490.65	3.00%	\$735.98	4.50%	\$2,250.82	\$0.00	0.00%	\$1,226.63	\$2,250.82
Employee	67		\$37,716.00	\$0.00	\$1,131.48	3.00%	\$1,196.89	3.17%	\$2,328.37	\$1,131.48	3.00%	\$3,459.85	\$3,459.85
Employee	48		\$25,642.00	\$650.00	\$769.26	3.00%	\$813.73	3.17%	\$2,232.99	\$769.26	3.00%	\$2,352.25	\$3,002.25
Employee	65		\$31,577.00	\$520.00	\$947.31	3.00%	\$1,002.08	3.17%	\$2,469.39	\$947.31	3.00%	\$2,896.70	\$3,416.70
Employee	38		\$77,015.00	\$2,600.00	\$2,310.45	3.00%	\$4,813.44	6.25%	\$9,723.89	\$2,310.45	3.00%	\$9,434.34	\$12,034.34
Employee	49		\$29,730.00	\$2,873.00	\$891.90	3.00%	\$943.46	3.17%	\$4,708.36	\$891.90	3.00%	\$2,727.26	\$5,600.26
Totals:			\$930,034.00	\$55,567.19	\$6,541.05		\$49,205.55		\$111,313.79	\$244,050.40		\$299,797.00	\$355,364.19
Sub-totals for Principals:			\$280,000.00	\$25,000.00	\$0.00		\$26,740.00		\$51,740.00	\$238,000.00		\$264,740.00	\$289,740.00
Percent to Principals:			30.11%	44.99%	0.00%		54.34%		46.48%	97.52%		88.31%	81.53%
Sub-totals for Others:			\$650,034.00	\$30,567.19	\$6,541.05		\$22,465.55		\$59,573.79	\$6,050.40		\$35,057.00	\$65,624.19

Notes: The cash balance plan is discriminatory on its own. It must be combined with the illustrated 401(k) profit sharing plan to meet the nondiscrimination requirements.

The CB Plan is not covered by the PBGC. As such, the 401(k) plan's employer deduction must be limited to 6% of covered payroll.

HCEs are excluded from the Cash Balance plan. They continue to be required to receive a 3% Top Heavy Minimum contribution in the 401(k) plan.

Employee works <1000 and as such, is not entitled to a Cash Balance contribution. However, she must receive a combined plan gateway minimum contribution of 7.5% of pay in the 401(k) plan.

Employee is required to receive a higher rate of contribution in order to pass IRS required discrimination testing.

Projections assume an interest crediting rate of 3.00% for the Cash Balance Plan.