



Excellence in Plan Design & Administration

Third-Party Administration Services

Cash Balance Plan

Maximizing Tax Deductible Retirement Deposits

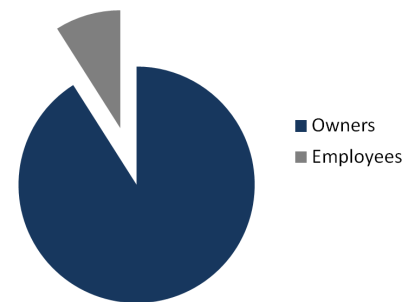
Cash Balance Plans and 401(k) Combination Plans for Professional Practices for 2019

Most professional practices already have a 401(k) plan in place. Many of these plans are using custom contribution formulas to provide higher contribution rates to owner-employees or other favored employees.

These plans limit overall contributions for any individual to \$56,000* (plus an additional \$6,000 if age 50 or over).

If you could contribute more without greatly increasing the contributions for non-owners, would you do it?

Efficiency of Allocation ¹



¹ Owners get 94% of overall employer contribution excluding 401(k)

Add a Cash Balance Plan

Here is an example of how a 401(k)/Cash Balance Plan combination can look:

EMPLOYEE	COMP	401(k)	PROFIT SHARING CONTRIBUTION	% of PAY	CASH BALANCE CONTRIBUTION	% of PAY	TOTAL
Owner 1	\$280,000 *	\$25,000 *	\$14,905	5.32%	\$230,505	82.32%	\$245,410
Employee 1	\$29,036	\$0	\$1,974	6.80%	\$871	3.00%	\$2,845
Employee 2	\$13,860	\$0	\$942	6.80%	\$416	3.00%	\$1,358
Employee 3	\$7,170	\$0	\$538	7.50%	\$0	0.00%	\$538
Employee 4	\$25,674	\$1,040	\$1,746	6.80%	\$770	3.00%	\$2,516
Employee 5	\$23,826	\$0	\$1,620	6.80%	\$715	3.00%	\$2,335
Employee 6	\$26,205	\$0	\$1,782	6.80%	\$786	3.00%	\$2,568
Employee 7	\$34,119	\$0	\$2,559	7.50%	\$0	0.00%	\$2,559
TOTALS	\$439,890	\$26,040	\$26,066		\$234,063		\$260,129

*2019 Limits

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