



Specializing in Actuarial Retirement Plan Services

## Comparison of Profit Sharing / 401(k) Plan Only to Inclusion of Cash Balance Plan

	2007 Pay	Age	401(k) Safe Harbor and Profit Sharing	Allocation to Cash Balance Plan	Total Company Contributions	Elective 401(k) w/Catch-up	Total
<b>Profit Sharing / 401(k) Plan Only</b>							
Owner 1	230,000	55	29,500	-	29,500	20,500	50,000
% of Pay			12.8%	0.0%	12.8%	8.9%	21.7%
Employee 1	15,000	28	750	-	750	-	750
Employee 2	30,000	44	1,500	-	1,500	-	1,500
Employee 3	30,000	51	1,500	-	1,500	-	1,500
Employee 4	30,000	57	1,500	-	1,500	-	1,500
Employee 5	30,000	42	1,500	-	1,500	-	1,500
Employee 6	25,000	32	1,250	-	1,250	-	1,250
<b>Total Employees</b>	160,000		8,000	-	8,000	-	8,000
% of Pay			5.0%	0.0%	5.0%	0.0%	5.0%
<b>Profit Sharing / 401(k) Plan with a Cash Balance Plan</b>							
Owner 1	230,000	55	13,800	75,000	88,800	20,500	109,300
% of Pay			6.0%	32.6%	38.6%	8.9%	47.5%
Employee 1	15,000	28	900	375	1,275	-	1,275
Employee 2	30,000	44	1,800	750	2,550	-	2,550
Employee 3	30,000	51	1,800	750	2,550	-	2,550
Employee 4	30,000	57	1,800	750	2,550	-	2,550
Employee 5	30,000	42	1,800	750	2,550	-	2,550
Employee 6	25,000	32	1,500	625	2,125	-	2,125
<b>Total Employees</b>	160,000		9,600	4,000	13,600	-	13,600
% of Pay			6.0%	2.5%	8.5%	0.0%	8.5%

**Note:** By including a cash balance plan, this sample owner is able to increase his/her contribution by \$59,300 while contributing an extra \$5,600 to employees.

**Please contact the consultants at TSC if you want to learn more and determine whether a Cash Balance Plan makes sense for your organization.**