



A Powerful New Tax Strategy

OwnersPlus™ Retirement Program combines a cash balance defined benefit plan with a safe harbor 401(k)/profit sharing plan. The program allows business owners with a few employees to make large deductible contributions for themselves while controlling the total cost of employee retirement benefits.

Owners establish the Cash Balance plan and set a contribution amount they want to fund each year, within limits set by the IRS. (See estimates below.) Owners and employees may have different contribution rates. Contributions on behalf of employees are calculated to provide adequate benefits to pass IRS compliance testing.

“The market demand for these plans is driven by the baby boomers’ inability to start saving...and now they must maximize their retirement saving during peak earning years.”— Financial Advisor, Littleton, CO

Key Considerations

- Contributions to both plans are required each year.
- Companies opening cash balance plans should expect to maintain them for a minimum of 5 years.
- Plans must be established by the business’s fiscal year-end, usually December 31.

2016 Maximum Contributions for Business Owners¹

Age	Cash Balance	401(k) with Profit Sharing (6%) ²	Total
65	\$244,500	\$39,900	\$284,400
60	\$236,800	\$39,900	\$276,700
55	\$184,600	\$39,900	\$224,500
50	\$143,900	\$39,900	\$183,800
45	\$112,200	\$33,900	\$146,100
40	\$87,500	\$33,900	\$121,400

1. This chart assumes owners have W-2 income of \$265,000 from a corporation or Net Income of \$450,000 from a sole proprietorship.

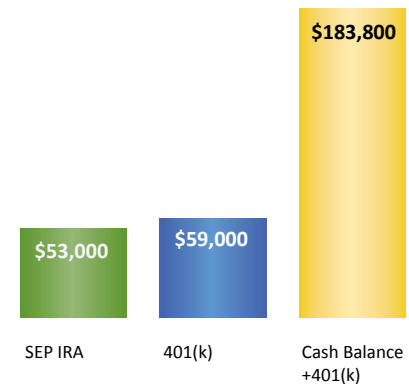
2. Profit sharing (PS) contribution is limited to 6%. For plans subject to Pension Benefit Guaranty Corporation (PBGC), the PS contribution limit is 25%.

Highest Contributions

The cash balance plan provides for the highest allowable contribution to a qualified plan – **often \$150,000 or more annually**. By combining it with a 401(k)/profit sharing plan, the required contributions for employees are limited and controllable.

Compare Retirement Plans*

For a 50 year old earning \$300,000 in W-2 income



*2016 plan maximum contribution limits for a 50 year old, including “catch-up” contribution of \$6,000 for 401(k).

Ideal Prospects

- Professionals
- Partnerships
- Business Owners with 1-10 employees
- Owners age 40+
- Clients who currently have SEP-IRAs, SIMPLEs, or 401(k)s and want to make larger deductible contributions each year

Contact us

Dedicated Defined Benefit Services Plan Design Specialists are available to work with you.

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Advantages for Advisors

- Receive a large, steady stream of contributions to invest each year of the plan
- Deepen relationships with high-income, successful clients
- Open architecture to invest in equities, mutual funds, bonds, annuities or other marketable securities
- Simplified plan design, client marketing materials, and knowledgeable consultants to help you close the sale
- Turnkey administration by Dedicated DB's Defined Benefit and Cash Balance Specialists who design plans for each client and handle all paperwork to establish plans and provide ongoing government compliance and reporting

Advantages for Business Owners

- Large annual tax savings for the owner
- Partners can receive different contribution amounts
- Investments grow tax deferred, building wealth faster
- Contributions on behalf of employees are limited and established during plan design. However, changes in personnel will impact required contributions.
- At retirement (or at plan termination), assets in both the Cash Balance and the 401(k) plans are rolled into IRAs and continue to grow tax-deferred until withdrawn

Typical Client

Tony Corso, D.D.S., age 52, has been a Cosmetic and Restorative Dentist for the past 15 years. His practice is thriving and he wants to start saving more each year while reducing his tax liability. In 2016, he will take \$265,000 in W-2 from his S-Corporation. He has four employees earning from \$35,000 - \$45,000. Dr. Corso wants to maximize his own contributions while minimizing his contributions on behalf of his employees.

He will open an OwnersPlus™ Program with a safe harbor 401(k)/profit sharing plan and a cash balance plan. Dr. Corso will:

- Contribute \$204,000 total for himself
- Contribute \$18,000 on behalf of employees
- Receive 92% of the contribution
- Reduce current year taxes by ~ \$84,000.*

* Assumes combined federal and state tax rate of 38%

OwnersPlus™ Fee Schedule

Plan Design and Plan Documentation Fee (First year only)

	2-5 Participants	6+ participants
Cash Balance Plan	\$2250	\$2250 + \$100 Per Additional Participant
401(k) Profit Sharing Plan	\$1250	\$1250 + \$50 Per Additional Participant

Annual Administration (Including first year)

	2-5 Participants	6+ participants
Cash Balance Plan	\$2850	\$2850 + \$100 Per Additional Participant
401(k) Profit Sharing Plan	\$1450	\$1450 + \$50 Per Additional Participant
Cash Balance Plan and 401(k) Testing Fee		\$650
Testing Fee for pre-existing 401(k) Plan		\$850

Dedicated Defined Benefit Services supports high income clients and their Financial Advisors nationwide in the sale and servicing of Defined Benefit and Cash Balance retirement plans. SEPs and 401(k)s alone simply do not meet the needs of high-income self-employed and small business owners in their peak earning years.

Dedicated **DB**
Defined Benefit Services