EGPS
A BLUE RIDGE COMPANY

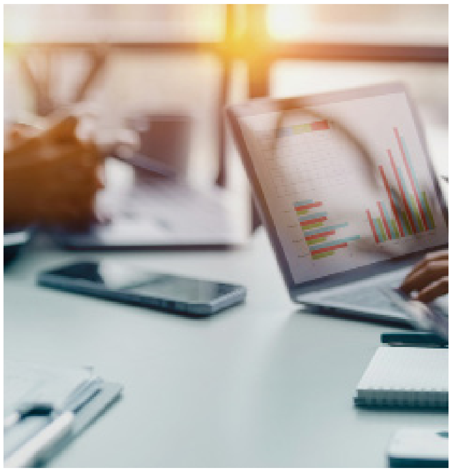
COMBO PLANS OVERVIEW

A powerful retirement plan strategy

What is a combo plan?

A "combo" retirement plan brings two plans together, a traditional 401(k) and a cash balance plan, allowing business owners to significantly increase their annual retirement contributions, reduce tax liability, and reward their talented associates. The flexibility of a 401(k) combined with the powerful tax advantages of a defined benefit plan can often exceed $200,000 and, depending on age, compensation, and plan design, may approach or exceed $300,000 per year under current IRS limits.

The ideal time to start a combo plan is at the beginning of the plan year. This gives EGPS ample time to model plan design, ensure compliance, and prepare IRS reporting by year-end.



Why consider this "layering" retirement strategy?

The main advantages? Higher contribution limits and lower tax bills. Contributions can be double or triple the 2026 401(k) max of $80,000 with catch-up contributions. Contributions from the company are top-line deductions to the business, providing major tax savings to the business and individual owners.

Combo plans are designed to favor shareholders or partners while boosting meaningful benefits to employees. The plans become a valuable tool for attracting and retaining top talent—providing a long-term savings benefit that supports both business goals and employee loyalty.

Feature	401(k) plan	Cash balance plan
Contribution limit (2026)	$80,000*	$100k-$300k
Plan type	Defined contribution	Defined benefit
IRS reporting	Form 5500	Actuarial + Form 5500

*Includes catch-up for age 50+ catch-up contributions for 2026.

Who is a good fit?

A combo plan is ideal for business owners aged 40 or older who have consistent cash flow, are already maximizing their 401(k), and are looking to significantly reduce taxable income while accelerating retirement savings.

Ready to explore a combo plan?

At EGPS, we specialize in designing customized retirement plans that align with a business's tax strategy and long-term goals. Our in-house actuaries handle the annual cash balance calculations, and our expert team ensures full IRS and DOL compliance. Let us help model a plan that works!