



# PLAN DESIGN ALTERNATIVES

For Defined Contribution Plans - 2021

Name	Age	Plan Compensation <sup>1</sup>	Simplified Employee Pension (SEP)	Profit Sharing	Tiered Profit Sharing	Tiered Profit Sharing & Safe Harbor 401(k) <sup>2</sup>	401(k) & Safe Harbor Matching <sup>2</sup>
Shareholder/Owner	53	\$290,000	\$58,000	\$58,000	\$58,000	\$64,500	\$37,600
Shareholder/Owner	60	290,000	58,000	58,000	58,000	\$64,500	37,600
Non-Owner Employee	46	140,000	28,000	23,949	4,200	4,200	5,600
<b>Highly Compensated Employee Total</b>		<b>\$720,000</b>	<b>\$144,000</b>	<b>\$139,949</b>	<b>\$120,200</b>	<b>\$133,200</b>	<b>\$80,800</b>
Employee 1	26	\$28,000	\$5,600	\$4,790	\$1,400	\$1,235	\$1,120
Employee 2	30	34,000	6,800	5,816	1,700	\$1,499	1,360
Employee 3	34	36,000	7,200	6,158	1,800	\$1,588	1,440
Employee 4	38	42,000	8,400	7,185	2,100	\$1,852	1,680
Employee 5	42	48,000	9,600	8,211	2,400	\$2,117	1,920
Employee 6	46	55,000	11,000	9,409	2,750	\$2,426	2,200
Employee 7	50	59,000	11,800	10,093	2,950	\$2,602	2,360
Employee 8	54	65,000	13,000	11,119	3,250	\$2,867	2,600
Employee 9	58	90,000	18,000	15,396	4,500	\$3,969	3,600
Employee 10	62	75,000	15,000	12,830	3,750	\$3,308	3,000
<b>Non-Highly Compensated Employee Total</b>		<b>\$532,000</b>	<b>\$106,400</b>	<b>\$91,007</b>	<b>\$26,600</b>	<b>\$23,461</b>	<b>\$21,280</b>
<b>Total Company/Owner Contributions</b>			<b>\$250,400</b>	<b>\$230,956</b>	<b>\$146,800</b>	<b>\$156,661</b>	<b>\$102,080</b>
<b>Percentage of Contributions to Owners</b>			<b>46.3%</b>	<b>50.2%</b>	<b>79.0%</b>	<b>82.3%</b>	<b>73.7%</b>

**NOTES:**

1. "Plan Compensation" is gross W-2 wages. It excludes S-Corporation K-1 income. For Partners and Sole Proprietors, Plan Compensation is net earnings from self-employment reduced by plan contributions, self-employment and Section 179 tax deductions.
2. For Shareholders/Owners, this column includes all contributions to the plan, including 401(k) salary deferral and catch up contributions. For non-owners, this column illustrates only the company contributions, since any 401(k) contributions are paid by employees. Company-paid safe harbor contributions are required and are always 100% vested to the employees.
3. These are examples only, results will vary in each situation. Please contact us for a design tailored to the company's objectives.

Name	Age	Plan Compensation <sup>1</sup>	Defined Benefit Plan Only	Combination Defined Benefit & 401(k)/PS <sup>2</sup>	Cash Balance & Profit Sharing	Combination Cash Balance & 401(k)/PS <sup>2</sup>	Combination Cash Balance & 401(k)/PS - Carve Out <sup>2</sup>
Shareholder/Owner	53	\$290,000	\$197,000	\$238,000	\$212,000	\$239,000	\$239,000
Shareholder/Owner	60	290,000	280,000	321,000	295,000	322,000	322,000
Non-Owner Employee	46	140,000	16,000	11,000	4,200	8,200	-
<b>Highly Compensated Employee Total</b>		<b>\$720,000</b>	<b>\$493,000</b>	<b>\$570,000</b>	<b>\$511,200</b>	<b>\$569,200</b>	<b>\$561,000</b>
Employee 1	26	\$28,000	4,900	2,300	3,300	\$3,100	\$3,400
Employee 2	30	34,000	7,200	2,900	3,700	3,500	3,900
Employee 3	34	36,000	9,300	3,100	3,900	3,600	4,000
Employee 4	38	42,000	13,200	3,800	4,300	4,000	-
Employee 5	42	48,000	18,300	4,500	4,600	4,400	4,800
Employee 6	46	55,000	25,500	5,500	5,100	4,900	-
Employee 7	50	59,000	33,300	6,300	5,400	5,200	5,600
Employee 8	54	65,000	44,500	7,400	5,800	5,600	-
Employee 9	58	90,000	75,000	11,100	7,400	7,300	7,800
Employee 10	62	75,000	65,900	9,400	6,400	6,300	-
<b>Non-Highly Compensated Employee Total</b>		<b>\$532,000</b>	<b>\$297,100</b>	<b>\$56,300</b>	<b>\$49,900</b>	<b>\$47,900</b>	<b>\$29,500</b>
<b>Total Company/Owner Contributions</b>			<b>\$790,100</b>	<b>\$626,300</b>	<b>\$561,100</b>	<b>\$617,100</b>	<b>\$590,500</b>
<b>Percentage of Contributions to Owners</b>			<b>60.4%</b>	<b>89.3%</b>	<b>90.4%</b>	<b>90.9%</b>	<b>95.0%</b>

**NOTES:**

1. "Plan Compensation" is gross W-2 wages. It excludes S-Corporation K-1 income. For Partners and Sole Proprietors, Plan Compensation is net earnings from self-employment reduced by plan contributions, self-employment and Section 179 tax deductions.
2. For Shareholders/Owners, this column includes all contributions to the plan, including 401(k) salary deferral and catch up contributions. For non-owners, this column illustrates only the company contributions, since any 401(k) contributions are paid by employees. Company-paid safe harbor contributions are required and are always 100% vested to the employees.
3. These are examples only, results will vary in each situation. Please contact us for a design tailored to the company's objectives.