



PLAN DESIGN ALTERNATIVES

For Defined Contribution Plans 2022

Name	Age	Plan Compensation ¹	Simplified Employee Pension (SEP)	Profit Sharing	Tiered Profit Sharing	Tiered Profit Sharing & Safe Harbor 401(k) ²	401(k) & Safe Harbor Matching ²
Shareholder/Owner	53	\$305,000	\$61,000	\$61,000	\$61,000	\$67,500	\$39,200
Shareholder/Owner	60	305,000	61,000	61,000	61,000	\$67,500	39,200
Non-Owner Employee	46	140,000	28,000	23,866	4,200	4,200	5,600
Highly Compensated Employee Total		\$750,000	\$150,000	\$145,866	\$126,200	\$139,200	\$84,000
Employee 1	26	\$28,000	\$5,600	\$4,773	\$1,400	\$1,240	\$1,120
Employee 2	30	34,000	6,800	5,796	1,700	1,506	1,360
Employee 3	34	36,000	7,200	6,137	1,800	1,595	1,440
Employee 4	38	42,000	8,400	7,160	2,100	1,861	1,680
Employee 5	42	48,000	9,600	8,183	2,400	2,126	1,920
Employee 6	46	55,000	11,000	9,376	2,750	2,437	2,200
Employee 7	50	59,000	11,800	10,058	2,950	2,614	2,360
Employee 8	54	65,000	13,000	11,081	3,250	2,880	2,600
Employee 9	58	90,000	18,000	15,342	4,500	3,987	3,600
Employee 10	62	75,000	15,000	12,785	3,750	3,323	3,000
Non-Highly Compensated Employee Total		\$532,000	\$106,400	\$90,691	\$26,600	\$23,569	\$21,280
Total Company/Owner Contributions			\$256,400	\$236,557	\$152,800	\$162,769	\$105,280
Percentage of Contributions to Owners			47.6%	51.6%	79.8%	82.9%	74.5%

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, 1/2 self-employment tax and Section 179 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 100% vested to the employees, other than QACA safe harbor.
3. These are examples only, results will vary in each situation. Please contact us for a design tailored to the company's objectives.



PLAN DESIGN ALTERNATIVES

Advanced Design Plan Options 2022

Name	Age	Plan Compensation ¹	Defined Benefit Plan Only	Combination Defined Benefit & 401(k)/PS ²	Cash Balance & Profit Sharing	Combination Cash Balance & 401(k)/PS ²	Combination Cash Balance & 401(k)/PS - Carve Out ²
Shareholder/Owner	53	\$305,000	\$201,100	\$246,500	\$219,500	\$246,500	\$246,500
Shareholder/Owner	60	305,000	285,100	330,500	303,500	330,500	330,500
Non-Owner Employee	46	140,000	7,000	11,300	4,200	4,200	-
Highly Compensated Employee Total		\$750,000	\$493,200	\$588,300	\$527,200	\$581,200	\$577,000
Employee 1	26	\$28,000	\$8,200	\$2,000	\$2,600	\$3,100	\$3,400
Employee 2	30	34,000	11,300	2,900	3,100	3,500	4,100
Employee 3	34	36,000	13,500	3,300	3,300	3,600	4,300
Employee 4	38	42,000	17,800	3,400	4,100	4,000	-
Employee 5	42	48,000	23,100	4,100	4,400	4,400	5,800
Employee 6	46	55,000	30,500	5,000	5,100	4,900	-
Employee 7	50	59,000	37,400	5,800	5,500	5,200	7,100
Employee 8	54	65,000	46,900	6,900	6,000	5,600	-
Employee 9	58	90,000	74,000	10,500	8,300	7,300	10,800
Employee 10	62	75,000	70,100	9,300	6,900	6,300	-
Non-Highly Compensated Employee Total		\$532,000	\$332,800	\$53,200	\$49,300	\$47,900	\$35,500
Total Company/Owner Contributions			\$826,000	\$641,500	\$576,500	\$629,100	\$612,500
Percentage of Contributions to Owners			58.9%	89.9%	90.7%	91.7%	94.2%

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, 1/2 self-employment tax and Section 179 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 100% vested to the employees, other than QACA safe harbor.
3. Employer contributions are mandatory to Defined Benefit and Cash Balance plans, subject to IRS penalties for failure to contribute. In combination plans, profit sharing and safe harbor 401(k) contributions are mandatory for Non-Highly Compensated Employees.
4. These are examples only, results will vary in each situation. Please contact us for a design tailored to the company's objectives.