



PLAN DESIGN ALTERNATIVES

For Defined Contribution Plans 2023

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	\$330,000	\$66,000	\$66,000	\$66,000	\$73,500	\$39,900
Shareholder/Owner	60	330,000	66,000	66,000	66,000	73,500	39,900
Non-Owner Employee	46	140,000	28,000	23,866	4,200	4,200	4,200
Highly Compensated Employee Total		\$800,000	\$160,000	\$155,866	\$136,200	\$151,200	\$84,000
Employee 1	26	\$28,000	\$5,600	\$4,760	\$1,400	\$1,260	\$1,120
Employee 2	30	34,000	6,800	5,780	1,700	1,530	1,360
Employee 3	34	36,000	7,200	6,120	1,800	1,620	1,440
Employee 4	38	42,000	8,400	7,140	2,100	1,890	1,680
Employee 5	42	48,000	9,600	8,160	2,400	2,160	1,920
Employee 6	46	55,000	11,000	9,350	2,750	2,475	2,200
Employee 7	50	59,000	11,800	10,030	2,950	2,655	2,360
Employee 8	54	65,000	13,000	11,050	3,250	2,925	2,600
Employee 9	58	90,000	18,000	15,300	4,500	4,050	3,600
Employee 10	62	75,000	15,000	12,750	3,750	3,375	3,000
Non-Highly Compensated Employee Total		\$532,000	\$106,400	\$90,440	\$26,600	\$23,940	\$21,280
Total Company/Owner Contributions			\$266,400	\$246,306	\$162,800	\$175,140	\$105,280
Percentage of Contributions to Owners			49.5%	53.6%	81.1%	83.9%	75.8%

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 2023

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	\$330,000	\$186,900	\$260,400	\$261,500	\$291,500	\$291,500
Shareholder/Owner	60	330,000	263,000	336,500	352,500	382,500	382,500
Non-Owner Employee	46	150,000	75,200	11,300	8,500	8,500	0
Highly Compensated Employee Total		\$810,000	\$810,000	\$525,100	\$608,200	\$622,500	\$682,500

Employee 1	26	\$28,000	\$5,300	\$2,200	\$3,000	\$3,000	\$3,100
Employee 2	30	34,000	7,800	2,700	3,400	3,400	3,500
Employee 3	34	36,000	10,000	2,900	3,500	3,500	3,700
Employee 4	38	42,000	14,200	3,500	3,900	3,900	4,100
Employee 5	42	48,000	19,800	4,100	4,400	4,300	3,500
Employee 6	46	55,000	27,600	5,000	4,800	4,800	4,000
Employee 7	50	59,000	35,900	5,600	5,100	5,100	4,300
Employee 8	54	65,000	48,100	6,600	5,500	5,500	4,800
Employee 9	58	90,000	81,000	9,900	7,200	7,200	6,600
Employee 10	62	75,000	82,100	9,000	6,200	6,200	5,500
Non-Highly Compensated Employee Total		\$532,000	\$331,800	\$51,500	\$47,000	\$46,900	\$43,100

Total Company/Owner Contributions	\$856,900	\$659,700	\$669,500	\$729,400	\$717,100
Percentage of Contributions to Owners	52.5%	90.5%	91.7%	92.4%	94.0%

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.