

Could You Be Saving More Now?

Does your retirement plan feel like it's not growing fast enough? Do you feel behind even after contributing the maximum amount? You may want to consider a cash balance plan.

How does a Cash Balance Plan Help You Save More For the Future?

- Contribution design favors older employees and **business owners**.
- Unique plan design means you can contribute up to **\$200,000**, almost **four times** as much as a 401(K) plan alone.
- You could accumulate **\$2.2 million** in a Cash Balance plan over 7-8 years. Saving this much in a 401(K) plan would take 15 years.
- This **\$2.2 million** can be taken as a lump sum at retirement, or a lifetime annuity of **\$180,000/year**.

How Does a Cash Balance Plan Help You Save More Now?

- Because of its high contribution limit, a cash balance allows you to save for retirement while deferring taxes on your contribution.
- Making a large contribution to your cash balance plan benefits your future and **saves you money now**.
- Tax rates are increasing every year, but a cash balance plan can help alleviate the burden of these increased tax rates.

Cash Balance Takes the Guesswork Out of Retirement Planning

Dealing with a traditional plan can be intimidating and tedious. *It doesn't have to be.*

- The employer controls the investments, so employees don't have to worry about managing their account, as in a traditional 401(K) plan.
- Although benefits are defined at retirement, employees have **peace of mind** with a theoretical balance sheet defining their assets.
- Flexible contributions mean that the Employer can **target specific employees** who need to save more.



Actuarial • Financial • Insurance



Real Life example of Savings:

Small Business Owner

Age 55, married filing jointly, two children

- \$400,000 adjusted gross income (\$350,000 wages, \$50,000 investment income)
- No Cash Balance contribution: will pay \$103,000 in federal taxes
- \$150,000 Cash Balance contribution: will pay \$51,000 in federal taxes

Tax Savings: \$52,000