

# UNLOCKING WEALTH WITH CASH BALANCE PLANS



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**More Information :**

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# Welcome to the World of Cash Balance Plans

🌸 A properly constructed cash balance plan, paired with a 401(k) plan, can help you save **thousands** more for retirement while also saving you **thousands** on your tax bill as you accumulate and grow your wealth.

🌸 **Ask yourself:** If you could save more than the allowable \$69k (\$76.5K over 50) in a 401k/Profit share...would you?

🌸 **Would deferring another \$50k, 100k, or more be of interest?**

## Typical Personas

- 🌸 Closely held partnerships, sole proprietorships & small corporations < 10 owners / < 50 participants. Often 1-5 owners
- 🌸 Stable annual income with consistent appetite for deferrals beyond 401(k) limits with current profit sharing of at least 5%

## Common Industries

- 🌸 Doctors (i.e., radiology, orthopedics, anesthesia, etc.)
- 🌸 Dentists
- 🌸 Attorneys
- 🌸 Consultants & Developers
- 🌸 ANY Successful business owner with a track record of high income



# Key Characteristics of Cash Balance Plans

## 🌸 Tax Deductible Wealth Accumulation

Contributions are fully tax-deductible, minimizing current tax burdens and allowing business owners to keep more of their hard-earned money. Plus, the additional funds also grow without capital gains taxes.

## 🌸 Creditor Protected

Like a 401k account, Cash Balance plans are ERISA qualified and enjoy one of the highest levels of protection available. From creditors to bankruptcy proceedings and civil lawsuits, claims against funds held in ERISA retirement accounts are prohibited.

## 🌸 Flexibility & Portability

Plans can be designed for differing benefit levels amongst owners and high earners. At plan termination, or reaching age 59.5, participants can elect to roll funds over to another qualified account such as an IRA or a 401k plan.

## 🌸 Enhanced Contribution Limits

Unlike a 401k alone, which limits employee deferral and employer profit sharing to \$69,000 (\$76,500 if age 50), individual limits are drastically higher for most business owners.



# Navigating Cash Balance Plans with Expertise

- 🌸 Cash balance plans are professionally managed as pooled accounts by our team. With a modest return target (typically between 4% and 6%), portfolios are managed to a relatively low level of volatility and risk. This lower return is specifically designed to allow to maximize deferrals into the plan and enhance an owner's tax deductions over time.
- 🌸 Given the challenges of **reducing your current tax bill** AND saving enough to meet your future retirement needs, we believe a cash balance plan conversation is one worth having. Give a member of our team a call today at 865-999-5332 to schedule your no obligation consultation.



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