

## Split Funded Combination Plan Illustration

Plan Year 01/01/2022-12/31/2022

	Defined Contribution		Defined Benefit		
Name	2022 Expected Income	Profit Sharing Allocations	Split-Funded Pension	Total Combination	
Partner One - age 46	305,000	61,000	300,000	361,000	
Partner Two - age 56	305,000	61,000	400,000	461,000	
Partner Three - age 66	305,000	61,000	540,000	601,000	
<i>Owner Subtotal</i>	<i>915,000</i>	<i>183,000</i>	<i>1,240,000</i>	<i>1,423,000</i>	<i>92.5%</i>
All Other Participants (30)	1,200,000	84,000	32,000	116,000	
<i>Staff Subtotal</i>	<i>1,200,000</i>	<i>84,000</i>	<i>32,000</i>	<i>116,000</i>	<i>7.5%</i>
<b>Grand Total</b>	<b>\$ 2,115,000</b>	<b>\$ 267,000</b>	<b>\$ 1,272,000</b>	<b>\$ 1,539,000</b>	<b>43%</b>
<b>Total Projected Tax Savings</b>				<b>\$ 661,770</b>	

## Standard/Status Quo Cash Balance Plan Design

Plan Year 01/01/2022-12/31/2022

	Defined Contribution		Defined Benefit		
Name	2022 Expected Income	Profit Sharing Allocations	Split-Funded Pension	Total Combination	
Partner One - age 46	305,000	61,000	142,000	203,000	
Partner Two - age 56	305,000	61,000	234,000	295,000	
Partner Three - age 66	305,000	61,000	311,000	372,000	
<i>Owner Subtotal</i>	<i>915,000</i>	<i>183,000</i>	<i>687,000</i>	<i>870,000</i>	<i>88.2%</i>
All Other Participants (30)	1,200,000	84,000	32,000	116,000	
<i>Staff Subtotal</i>	<i>1,200,000</i>	<i>84,000</i>	<i>32,000</i>	<i>116,000</i>	<i>11.8%</i>
<b>Grand Total</b>	<b>\$ 2,115,000</b>	<b>\$ 267,000</b>	<b>\$ 719,000</b>	<b>\$ 986,000</b>	<b>43%</b>
<b>Total Projected Tax Savings</b>				<b>\$ 423,980</b>	

*\*Employer Contributions may include a combination of matches, safe harbors, and/or profit sharing*

**Assumptions:**

- \* 30 Staff Members ranging from age 25 to 45
- \* Staff Compensation ranging from \$20,000 to \$60,000

**Additional Bullet Points:**

- \* Split-Funding allows for larger contributions, more annual flexibility & protection of the annual pension lump sum upon death
- \* There are no penalties, taxation of the death benefit or surrender charges to the insurance component when held in a qualified plan
- \* At the end of the pension funding period, the insurance can be bought, swapped or financed out of the pension plan

