



Maximize your savings.

TAP INTO HIGH-LIMIT, TAX-EFFICIENT RETIREMENT STRATEGIES

Combining a profit-sharing 401(k) with a cash balance plan can be a highly effective strategy for business owners looking to maximize retirement savings.



You can make larger, tax-deferred contributions.

A dual-plan approach enables significantly higher retirement contributions than a traditional 401(k) can offer.



You'll receive reliable income in retirement.

With a 401(k), your final balance depends on market performance, while a cash balance plan promises a set benefit at retirement.



You can take advantage of pre-tax contributions.

Contributions to a cash balance plan are tax-deductible, and the funds grow tax-deferred until retirement. Taxes are only owed upon distribution.



You can structure the plan to fit your needs.

A cash balance plan allows you to supplement 401(k) and profit-sharing contributions for yourself, select family members, and key employees.

How do cash balance plans work?

Unlike a 401(k), which defines how much you can contribute, a cash balance plan defines the benefit you'll receive at retirement. While you're still working, the account balance is a projected value based on a fixed formula, not a traditional investment account. Participants cannot select investments, track real-time balances, or benefit from market gains beyond the plan's set interest credit.

How do the funds grow?

- The "pay credit" is an annual contribution made by the employer.
- The "interest credit" provides a guaranteed rate of return, usually equal to the yield on 30-year treasury bonds (about 4%).

How do distributions work at retirement?

Upon retirement, the accrued benefit is distributed. Most plans offer the options to either take the account balance as a lump sum, roll it into an IRA, or move it into an annuity with a defined monthly payment.

Do all employees participate equally?

No. The plan allows for different rates to be given to different employees, as long as certain minimums are met.

CASH BALANCE PLANS

\$3500
annual fee