

Could a defined benefit plan be the right retirement plan solution for you?

The answer could be *yes* if:

- You and or your target employees are in their early 40's or older
- Target employees are generally older than the rest of your employees
- You want to generate significantly higher *tax-deductible* contributions
- You are able to commit to funding the plan for at least five years.

To illustrate the power of a defined benefit plan, look at this sample professional practice:

Name	Plan Compensation	Age	Annual Retirement Benefit at 62	Value of Benefit at 62	Annual Contribution
Dr. Smith	\$ 200,000	52	\$ 160,000	\$ 1,887,054	\$ 161,296
Dr. Jones	200,000	49	160,000	1,887,054	114,535
Office Manager	48,000	39	38,400	452,893	11,752
Physician Assistant	35,000	30	28,000	330,234	4,715
Technician	32,000	33	25,600	301,929	5,208
Nurse	22,000	27	17,600	207,576	2,471
Office Assistant	20,000	25	16,000	188,705	1,996
Total \$					301,973

Dr. Smith and Jones receive over 91% of the total contribution.



Acuff & Associates can work with you and your financial advisor to find the 'Quality Solutions That Benefit' you.

We can show you how to maximize your retirement benefits and minimize employee benefit costs.

Cross-Tested Profit Sharing Plans can provide maximum retirement benefits and tax advantages to owners. Not only can owners or other highly compensated employees of the firm benefit, but important contributors to the firm, long-term employees, and employees close to retirement can be targeted. When a 401(k) feature is added to the plan, you can have tremendous flexibility in funding and plan design, while minimizing employee benefit costs and offering employees ownership in the plan.

To illustrate how this concept might work, let's look at this sample professional practice:

Name	Compensation	Age	Salary Deferral	Safe Harbor Non-Elective Contribution	Cross-Tested Profit Sharing Contribution	Total
Dr. Smith	\$ 200,000	52	\$ 12,000	\$ 6,000	\$ 23,000	\$ 41,000
Dr. Jones	200,000	49	11,000	6,000	23,000	40,000
Office Manager	48,000	39	1,920	1,440	878	4,238
Physician Assistant	35,000	30	1,400	1,050	641	3,091
Technician	32,000	33	1,280	960	586	2,826
Nurse	22,000	27	880	660	403	1,943
Office Assistant	20,000	25	800	600	366	1,766
		Total	\$ 29,280	\$ 16,710	\$ 48,873	\$ 94,863
		Total Employer Cost		16,710	48,873	\$ 65,583



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