

Sample Plan

Qualified Plan Proposal

12/31/2019

Eligible Employees			Cross-Tested Profit Sharing Plan			
Employee	Age	Salary	401(k) Deferrals	Safe Harbor QNEC	Profit Sharing	Total
Owner 1	58	\$ 280,000.00	\$ 25,000	\$ 8,400	\$ 28,600	\$ 62,000
Owner 2	49	\$ 200,000.00	\$ 19,000	\$ 6,000	\$ 31,000	\$ 56,000
Employee 1	42	\$ 100,000.00	\$ -	\$ 3,000	\$ 2,000	\$ 5,000
Employee 2	38	\$ 70,000.00	\$ -	\$ 2,100	\$ 1,400	\$ 3,500
Employee 3	34	\$ 50,000.00	\$ -	\$ 1,500	\$ 1,000	\$ 2,500
Employee 4	30	\$ 40,000.00	\$ -	\$ 1,200	\$ 800	\$ 2,000
Employee 5	26	\$ 30,000.00	\$ -	\$ 900	\$ 600	\$ 1,500
TOTALS:		\$ 770,000	\$ 44,000	\$ 23,100	\$ 65,400	\$ 132,500

Employee Benefit (funded by employer): \$ 14,500

Employer Benefit: \$ 118,000

Percentage to Owners: 89%

Notes:

This is an *estimate* only and should not be used as a basis for a tax deduction. All numbers in this proposal are subject to change when the final census is received.

Assumptions:

1 - 401(k) deferrals are maximized for both Owners.

2 - 3% safe harbor non-elective provided to all eligible participants (allows Owners to maximize deferrals).

3 - Owners want to maximize overall contributions for themselves. The profit sharing amounts shown produces that result.

4 - To maximize Owners, additional contributions to non-owners are required. That amounted to a 2% profit sharing contribution in this illustration.

