

Sample Professional Practice

Plan Study: Safe Harbor 401(k) Plan with New Comparability Profit Sharing Contribution & Cash Balance Plan

		401(k) Plan with New Comparability Profit Sharing Contribution			Cash Balance Plan	401(k) and Cash Balance Plan		
Principals	Salary (limited to annual cap)	Deferral Contributions	3% Safe Harbor Employer Contribution	New Comparability Profit Sharing Contribution	Employer Contributions	Total Employer Contributions	Employer Contribution as % of Salary	Employer Contribution as % of Total Contribution
Partner 1	265,000	24,000	7,950	7,650	172,870	212,470	80%	39.4%
Partner 2	265,000	24,000	7,950	7,650	172,870	212,470	80%	39.4%
Partner 3	265,000	24,000	7,950	7,650	52,870	92,470	35%	17.2%
Subtotal	\$ 795,000	\$ 72,000	\$ 23,850	\$ 22,950	\$ 398,610	\$ 517,410		96.0%
Staff								
Employee 1	44,000	1,320	1,320	880	880	3,080	7%	0.6%
Employee 2	48,000	1,440	1,440	960	960	3,360	7%	0.6%
Employee 3	30,000	900	900	600	600	2,100	7%	0.4%
Employee 4	40,000	1,200	1,200	800	800	2,800	7%	0.5%
Employee 5	75,000	2,250	2,250	1,500	1,500	5,250	7%	1.0%
Employee 6	72,000	2,160	2,160	1,440	1,440	5,040	7%	0.9%
Subtotal	\$ 309,000	\$ 9,270	\$ 9,270	\$ 6,180	\$ 6,180	\$ 21,630		4.0%
Total	\$ 1,104,000	\$ 81,270	\$ 33,120	\$ 29,130	\$ 404,790	\$ 539,040		100.0%

For Illustration and Discussion Purposes Only