



Progression of a Retirement Plan

Medical Sample Company of Florida

Dr. Jones– age 57; Compensation \$700,000

Dr. Smith– age 48; Compensation \$700,000

Staff– 4 employees; ages 36, 29, 36, 40

401(k) Profit Sharing Plan Annual Contribution

Dr. Jones: \$61,000

Dr. Smith: \$55,000

Staff Cost*: \$7,750

Annual Tax Savings*

Dr. Jones: \$21,350

Dr. Smith: \$19,250

Company: \$2,713

401(k) Profit Sharing Plan with a Cash Balance Plan Add-On Annual Contribution (Similar Cost to 401(k) Plan)

Dr. Jones: \$151,000

Dr. Smith: \$145,000

Staff Cost: \$10,346

Annual Tax Savings**

Dr. Jones: \$52,850

Dr. Smith: \$50,750

Company: \$3,622

401(k) Profit Sharing Plan with a Cash Balance Plan Add-On Annual Contribution (Maximum Benefit)

Dr. Jones: \$261,750

Dr. Smith: \$173,750

Staff Cost: \$11,886

Annual Tax Savings**

Dr. Jones: \$91,613

Dr. Smith: \$60,813

Company: \$4,161

*5% Profit Sharing Contribution

**Federal Tax Bracket: 35%

Consult your accountant and/or attorney regarding the tax and financial implications of the program. Heritage Administrative Services and their employees, as well as the insurance company illustrated, do not provide tax, accounting or financial planning advice. Benefits and contributions are subject to change if mandated by revisions of the Internal Revenue Code and/or IRS regulations. Heritage Administrative Services is an independently owned third party administration firm with no affiliation with any insurance carrier or broker/dealer.

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