

Stribling~Whalen Financial Group

CASH BALANCE PLANS

Offered in addition to a 401(k) plan, a Cash Balance Plan can accelerate retirement savings while increasing tax benefits.

ARE YOU A GOOD CANDIDATE?

Many partners and professionals find Cash Balance as an excellent way to increase contributions to their retirement accounts. These are typically good candidates:

- Partners or owners who desire to contribute more than \$66,000 (\$73,500 over 50) a year in 2023 to their retirement plan.
- Companies already contributing 3-4% to employees, or at least willing to do so.
- Companies which have demonstrated consistent profit patterns.
- Partners or owners over 40 years of age who desire to “catch up” or accelerate their pension savings.

TOP CANDIDATES

1. Highly profitable companies
2. Family businesses
3. Closely held businesses
4. Law firms
5. Medical groups
6. Professional Firms (CPAs, Engineers, etc.)
7. Older Owners who delayed savings
8. Those looking to enhance benefit package for executives.
9. Sole proprietors with income greater than \$305,000.

WHAT ARE THE ADVANTAGES OF A CASH BALANCE PLAN?

- **Large Contributions** – funding is substantially higher compared to 401k plans and SEPs.
- **Funding Flexibility** – you are given a funding range that allows for minimum and maximum contributions levels.
- **Age-Weighted Contributions** – contributions will increase with age, allowing owners who are close to retirement higher funding.
- **Ability to Combine with other Plans** – plans easily integrate with other retirement plans (like 401ks) that allow maximum benefit.
- **Tax Deductible** – since this is a qualified plan, all contributions are tax-deductible.

WHAT ARE THE DISADVANTAGES?

- **Permanency** – plans are not elective, and generally annual contributions are required.
- **Plan Fees** – requires an actuary sign-off, increasing costs.
- **Conservative Investments** – plan comes with an interest credit of usually 5%. You should attempt to minimize volatility and match this rate if possible.
- **Increased Complexity**

If you have families or individuals who may be looking for a solution such as the one described above, we would love to help them. Please reach out to Stribling~Whalen Financial Group at 678-989-0048 or jacob.beauchamp@striblingwhalen.com.

Regards,



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2023 Cash Balance / 401(k) Projections

Maximum Compensation \$330,000

Age	Maximum Salary Deferrals	6% Profit Sharing Contributions	Cash Balance Contribution	Total Contributions	35% Tax Savings
35	\$ 22,500	\$ 19,800	\$ 85,595	\$ 127,895	\$ 44,763
36	\$ 22,500	\$ 19,800	\$ 90,014	\$ 132,314	\$ 46,310
37	\$ 22,500	\$ 19,800	\$ 94,672	\$ 136,972	\$ 47,940
38	\$ 22,500	\$ 19,800	\$ 99,576	\$ 141,876	\$ 49,657
39	\$ 22,500	\$ 19,800	\$ 104,736	\$ 147,036	\$ 51,463
40	\$ 22,500	\$ 19,800	\$ 110,175	\$ 152,475	\$ 53,366
41	\$ 22,500	\$ 19,800	\$ 115,904	\$ 158,204	\$ 55,371
42	\$ 22,500	\$ 19,800	\$ 121,933	\$ 164,233	\$ 57,482
43	\$ 22,500	\$ 19,800	\$ 128,278	\$ 170,578	\$ 59,702
44	\$ 22,500	\$ 19,800	\$ 134,973	\$ 177,273	\$ 62,046
45	\$ 22,500	\$ 19,800	\$ 142,025	\$ 184,325	\$ 64,514
46	\$ 22,500	\$ 19,800	\$ 149,459	\$ 191,759	\$ 67,116
47	\$ 22,500	\$ 19,800	\$ 157,294	\$ 199,594	\$ 69,858
48	\$ 22,500	\$ 19,800	\$ 165,555	\$ 207,855	\$ 72,749
49	\$ 22,500	\$ 19,800	\$ 174,268	\$ 216,568	\$ 75,799
50	\$ 30,000	\$ 19,800	\$ 183,451	\$ 233,251	\$ 81,638
51	\$ 30,000	\$ 19,800	\$ 193,130	\$ 242,930	\$ 85,026
52	\$ 30,000	\$ 19,800	\$ 203,336	\$ 253,136	\$ 88,598
53	\$ 30,000	\$ 19,800	\$ 214,105	\$ 263,905	\$ 92,367
54	\$ 30,000	\$ 19,800	\$ 225,449	\$ 275,249	\$ 96,337
55	\$ 30,000	\$ 19,800	\$ 237,407	\$ 287,207	\$ 100,522
56	\$ 30,000	\$ 19,800	\$ 250,047	\$ 299,847	\$ 104,946
57	\$ 30,000	\$ 19,800	\$ 263,273	\$ 313,073	\$ 109,576
58	\$ 30,000	\$ 19,800	\$ 276,436	\$ 326,236	\$ 114,183
59	\$ 30,000	\$ 19,800	\$ 290,262	\$ 340,062	\$ 119,022
60	\$ 30,000	\$ 19,800	\$ 304,779	\$ 354,579	\$ 124,103
61	\$ 30,000	\$ 19,800	\$ 320,010	\$ 369,810	\$ 129,434
62	\$ 30,000	\$ 19,800	\$ 336,019	\$ 385,819	\$ 135,037
63	\$ 30,000	\$ 19,800	\$ 328,268	\$ 378,068	\$ 132,324
64	\$ 30,000	\$ 19,800	\$ 320,451	\$ 370,251	\$ 129,588
65	\$ 30,000	\$ 19,800	\$ 312,545	\$ 362,345	\$ 126,821
66	\$ 30,000	\$ 19,800	\$ 328,171	\$ 377,971	\$ 132,290
67	\$ 30,000	\$ 19,800	\$ 344,581	\$ 394,381	\$ 138,033
68	\$ 30,000	\$ 19,800	\$ 359,233	\$ 409,033	\$ 143,162
69	\$ 30,000	\$ 19,800	\$ 348,975	\$ 398,775	\$ 139,571
70	\$ 30,000	\$ 19,800	\$ 338,553	\$ 388,353	\$ 135,924

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