

Sample Cash Balance Plan illustration

This medical practice includes four partners, a partner's spouse and some employees. The chart illustrates how a 401(k) Profit Sharing Plan combined with a Cash Balance Plan can result in higher contributions to the partners and the spouse.¹

	Age	Salary	Cash Balance	401(K)	Safe Harbor	Profit Sharing	Total Contribution														
Group 1: Partner 1	67	\$ 245,000	\$190,000	\$ 22,000	\$ 7,350	\$ 7,350	\$ 226,700														
Group 2: Partner 2	53	\$ 245,000	\$140,000	\$ 22,000	\$ 7,350	\$ 7,350	\$ 176,700														
Group 3: Partner 3	48	\$ 245,000	\$ -	\$ 16,500	\$ 7,350	\$ 7,350	\$ 31,200														
Group 4: Partner 4	39	\$ 245,000	\$ -	\$ -	\$ 7,350	\$ 7,350	\$ 14,700														
Group 5: Spouse of Partner 2	52	\$ 154,000	\$ 75,000	\$ 22,000	\$ 4,620	\$ 4,620	\$ 106,240														
Group 6: 17 Employees		\$ 616,690	\$ 12,334	may vary	\$18,501	\$30,834	\$ 61,669														
TOTAL			\$417,334		\$52,521	\$64,854	\$ 617,209														
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