

# Considering a Solo Combo Plan?

If you already have a Solo 401(k) in place and are looking to save more, a Cash Balance plan can help.

**Cash Balance (CB)** plans can fit well in highly profitable businesses of all sizes. CPAs, law firms, medical groups, and other successful companies where the owners are:

- Looking for additional tax savings greater than \$66,000 or making over \$250,000 per year
- Generally over age 40 and are looking for tax advantaged savings
- Committed to funding the plan for at least 5 years

Employee Age	401(k)	6% Profit Sharing	Cash Balance Average	Pre-tax Total
60–65	\$30,500	\$15,000	\$264,900	\$310,400
55–59	\$30,500	\$15,000	\$271,000	\$316,500
50–54	\$30,500	\$15,000	\$214,200	\$259,700
45–49	\$23,000	\$15,000	\$167,000	\$205,000
40–44	\$23,000	\$15,000	\$130,300	\$168,300

## What are the benefits?

- Reduce your business and personal taxes
- Boost your retirement saving to **double** or even **triple** your pre-tax retirement savings
- Assets are protected from creditors in the case of bankruptcy or lawsuits

## Things to Consider

**What is the age of the participants you are looking to maximize the benefit to?**

CB plans work best when business owners have relatively stable cash flow and can commit to at least 4-5 years of the Cash Balance plan.

**What is the 3-year compensation average for the targeted participant?**

CB plans work best when there is compensation history

**What happens if I hire employees?**

Your employees may become eligible for the plan, depending on their length of service and may accrue benefits. However, you may be able to accrue higher Profit Sharing allocations when non-owner employees are included in the plan. Also 1099 contractors will never be eligible for participation in the CB plan.

