



DEFINED BENEFIT PLAN: CUSTOMIZABLE, CREATIVE, EFFECTIVE

WHAT IT IS:

A defined benefit plan is a qualified retirement plan and is often used by employees who are interested in increasing their tax-deductible plan contributions beyond the limits of a 401(k) plan. Typically, the plan is funded over a period of five to 10 years. Plan funding is determined annually by an actuary based on a set of parameters specified in the plan document, as well as participant retirement age and proximity to retirement. Defined benefit plans may be paired with 401(k) plans to enhance funding flexibility, increase tax-deductible contributions, and optimize the costs of benefits for businesses that employ non-owner employees.

WHO IT IS FOR:

A defined benefit plan may be appropriate for self-employed individuals and businesses that:

- » Are interested in providing retirement benefits in addition to a 401(k) plan
- » Want to increase owner benefit funding beyond the 401(k) plan limits
- » Have a consistent profit pattern that meets the minimum funding standards
- » Seek to tailor contributions for specific groups of participants

FEATURES AND BENEFITS:

- » Complete suite of plan documents, including employer resolutions and participant documentation
- » Tax credit may be available to offset implementation and first three years of maintenance and employee education costs
- » Provides additional contributions in excess of 401(k) plan limits
- » Optional access to savings through plan loans in case of a need
- » Tailored vesting schedules to foster retention and recover a portion of costs associated with employee turnover
- » Full suite of annual compliance testing, including advanced testing to optimize benefits and costs
- » Comprehensive contribution planning and consulting
- » Direct access to a retirement plan consultant for advanced issues
- » Annual plan bond review
- » Annual plan document compliance review
- » Annual certification by actuary
- » Annual plan design monitoring to maintain optimization

- » Completed Form 5500 ready for electronic filing with an option to complete the filing for the employer
- » Distribution services
- » Secure online employer portal to ease document retention and annual administration
- » May be combined with a 401(k) plan (Solo 401(k), Easy(k) or Custom(k)) to increase contribution potential, optimize outcomes, and create a multi-level benefit structure

INVESTMENT OPTIONS:

- » Rate of return promised to participants is guaranteed by the plan document and is not tied to investment performance—sponsor holds investment risk and not the participant
- » Assets are required to be invested in a single pool

PRICING*

Setup fee: \$2,000

Annual maintenance fee: starts at \$1,300 plus \$55 per participant

**Refer to fee schedule for details.*

Distributions from traditional employer sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty.

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