



United Retirement Plan Consultants

National network. Local experts.

Maximize your retirement plan

Your company's retirement plan may be satisfactory—but is satisfactory sufficient? Let URPC help determine if a safe harbor 401(k) plan or a new comparability profit sharing allocation is right for you.

When owners or key executives are limited in their deferral by the level of other employees' participation, a safe harbor 401(k) plan may provide additional savings opportunity since it doesn't require ADP or top heavy testing when a minimum contribution is made. When the company makes employee contributions, owners may not be benefiting from the employer contribution as much as possible. A new comparability profit sharing allocation can provide higher contributions for a targeted group of key employees, while minimizing employee contribution costs.

Employee Details			Profit Sharing Only			401(k) with Employer Contribution ¹		
Employee	Age	Annual salary	Traditional	Integrated	New comparability	401(k) SH match	401(k) SH new comp	Simple IRA
Owner 1	55	275,000	55,000	55,000	55,000	35,500 ²	61,000	23,750
Spouse 1	55	25,000	5,000	4,179	13,750	25,000 ²	31,000	16,250
	Subtotal	300,000	60,000	59,179	68,500	60,500	92,000	40,000
Employee 1	35	40,000	8,000	6,686	2,000	1,600	2,000	1,200
Employee 2	30	35,000	7,000	5,850	1,750	1,400	1,750	1,050
Employee 3	27	30,000	6,000	5,015	1,500	1,200	1,500	900
Employee 4	25	27,000	5,400	4,513	1,350	1,080	1,350	810
	Subtotal	132,000	26,400	22,064	6,600	5,280	6,600	3,960
Total employer cost:			86,400	81,243	75,350	65,780	98,600	43,960
Cost of non-owners			26,400	22,064	6,600	5,280	6,600	3,960
Benefit to owners			60,000	59,179	68,750	60,500	92,000	40,000
Owners % of total:			69%	73%	91%	92%	93%	91%

These are general illustrations and are not intended for specific client use. No decision should be made without consultation and a customized illustration.

¹ 401(k) Assumptions: Employees defer 5%; allocations for employees do not include 401(k).

² Allocations for Owner 1 and Spouse 1 include 401(k) deferrals.