

CLIENT SUITABILITY

- Business owners ages 30-80
- Annual taxable income of over \$100,000
- Average to good health
- Net worth of \$100,000 or more
- Interest in effective wealth transfer strategies
- Adequate liquid assets
- Desire to generate more after-tax retirement income

HYPOTHETICAL RESULT

- Family wealth transfer goals can be achieved
- Some family wealth passes to one or more charities selected by the client
- Estate tax may be reduced or eliminated

Defined Benefit Combo Plan

OBJECTIVE: To maximize current income tax deductions while funding a vehicle that can grow tax efficiently and make tax-efficient payments during retirement or at death.

Mr. and Mrs. Jones are self-employed and run a business that has a net income of approximately \$300,000. They each take a salary of approximately \$80,000 a year and would like to:

- Increase their income tax deduction.
- Fund a retirement plan with accelerated contributions using pre-tax dollars.
- Retain plan portability with changing objectives during their retirement years.
- Avoid small contribution limits.
- Protect their retirement plan from creditors or judgments from lawsuits.
- Retain key employees.

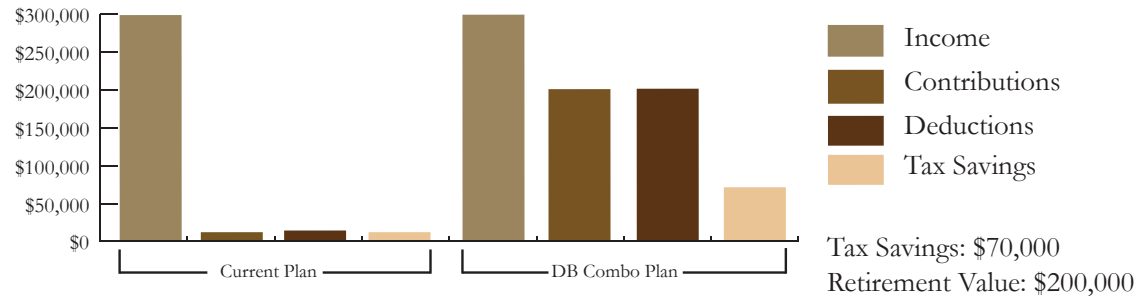
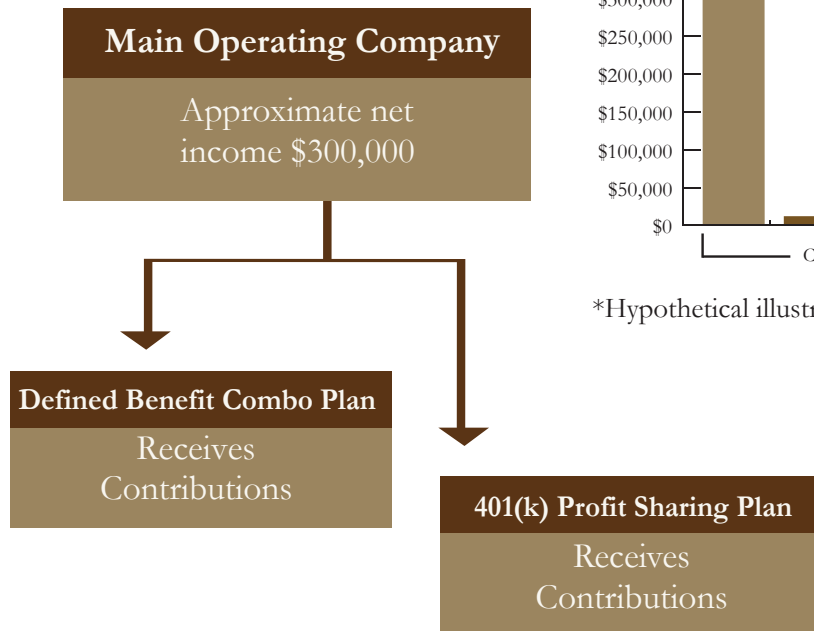
We can achieve this cost effectively and with minimal risk!



Solution

The Jones' advisers presents them with a plan known as the Defined Benefit Combo Plan and 401(k) plan. This strategy includes adopting a Defined Benefit Combo Plan and a 401(k) Profit Sharing Plan in their main operating company.

| | Income | Contributions | Deductions | Tax Savings |
|----------|-----------|---------------|------------|-------------|
| Current | \$300,000 | \$0 | \$0 | \$0 |
| DB Combo | \$300,000 | \$200,000 | \$200,000 | \$70,000 |



*Hypothetical illustration. Individual results may vary.

After adopting a Defined Benefit Combo Plan and a 401(k) Profit Sharing Plan, the Joneses consult with their advisers and fund either plan with the maximum contributions. Both contributions are 100% tax deductible.

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Maximizing Value with Integrated Estate, Business, Tax, and Asset Protection Planning™

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