

▶ OWNER-ONLY BUSINESS

Objective: Maximum contribution and tax deduction

Profile: Independent consultant age 52, has W-2 income of \$300,000 and plans to retire at 62.

Solution: Defined Benefit (DB) Plan for 10 years and a 401(k)

	DB only	DB + 401(k)
2014 Contribution	\$183,000	\$221,600
Tax Savings@ 38%	\$69,500	\$84,200
Projected DB Accumulation	\$2.54 Million	
Annual DB Benefit	\$210,000	

▶ EMPLOYEE WITH SIDE-INCOME

Objective: Reduce taxes on side income

Profile: University Professor, age 56, also has \$150,000 in sole proprietor income for the past several years from consulting, board fees and speeches (after paying self-employment taxes) and plans to retire at 62.

Solution: DB Plan for 6 years for side income

2014 Contribution	\$120,000
Tax Savings@ 38%	\$45,600
Projected DB Accumulation	\$854,000
Annual DB Benefit	\$70,400

▶ OWNER-ONLY, W-2 INCOME FLUCTUATES

Objective: Reduce taxes, retain flexibility

Profile: Engineer, age 48, W-2 income of \$185,000 this year, not sure it will always be this high.

Solution: DB Plan for 14 years, optional 401(k)

	DB only	DB + 401(k)
2014 Contribution	\$137,500	\$166,100
Tax Savings@ 38%	\$52,200	\$63,100
Projected DB Accumulation	\$2.24 Million	
Annual DB Benefit	\$185,000	

▶ SPOUSE HAS SELF-EMPLOYMENT INCOME

Objective: Invest earned income for retirement

Profile: Wife, age 60, has been earning \$100,000 in bookkeeping practice (after self-employment taxes) for the past several years. They don't need the money now & want to invest it.

Solution: DB Plan for 5 years

2014 Contribution	\$80,000
Tax Savings@ 38%	\$30,400
Projected DB Accumulation	\$456,400
Annual DB Benefit	\$40,300

▶ MARRIED BUSINESS PARTNERS, NO EMPLOYEES

Objective: Maximize retirement savings

Profile: Husband & wife doctors, Adam age 60, Eva age 58, W-2 income for each is \$260,000, both plan to retire in 5 years.

Solution: DB Plan with 5 years funding, optional 401(k)

	DB only	DB + 401(k)
2014 Contribution	\$426,000	\$504,000
Tax Savings@ 38%	\$162,100	\$191,500
Projected DB Accumulation	\$2.43 Million	
Annual DB Benefit	\$210,000	

▶ SMALL BUSINESS WITH HIGH EARNING OWNER, 1- 4 YOUNGER, LOWER PAID EMPLOYEES

Objective: Reach retirement savings goal faster, & provide employee benefit

Profile: Dentist, age 55, plans to retire at 62, W-2 income of \$400,000. Three employees, age 28-40, earn \$35,000-\$50,000

Solution: DB Plan for 7 years for dentist & employees

	Owner	Employees
2014 Contribution	\$206,200	\$37,400
Tax Savings@ 38%	\$78,300	
Projected DB Accumulation	\$1.78 Million	
Annual DB Benefit	\$147,000	

OnePersonPlus® Defined Benefit Plan



OnePersonPlus plans allow high income earners the largest IRS approved contribution to a qualified retirement plan while saving huge amounts in taxes. This unique program is especially attractive to clients age 40+ at higher income levels who are allowed to contribute a significant percentage of their W-2 income.

Eligibility Checklist

OnePersonPlus isn't right for everyone. Here's a quick test to find out if it's right for your client.

- Client is 40+ years of age
- Client typically earns at least \$100,000 annually in one of these ways:
 - ▶ Owns a business with 5 or fewer permanent employees, including the owner
 - ▶ Is self-employed as primary means of earning a living
 - ▶ Has a second occupation in which client works for himself or herself
 - ▶ Is considered an Independent Contractor rather than an employee
- Client wants to contribute more than \$50,000 annually to their retirement or a higher percent of income than allowed in a 401(k) or SEP
- Client expects to be able to make that contribution for at least three years

Maximum Annual Contribution Estimates by Owner Age and Income*

Age:	35	40	45	50	55	60	65
Income	Annual Contribution						
\$50,000	\$14,300	\$18,300	\$27,700	\$33,800	\$41,200	\$41,700	\$36,400
\$100,000	\$28,600	\$36,600	\$55,400	\$67,600	\$82,500	\$83,400	\$72,900
\$150,000	\$42,900	\$55,000	\$83,100	\$101,500	\$123,800	\$125,100	\$109,000
\$200,000	\$57,200	\$73,300	\$110,900	\$135,300	\$165,100	\$166,800	\$145,900
\$250,000	\$66,700	\$85,500	\$129,400	\$157,900	\$192,600	\$194,700	\$182,400

Good Prospects for DB Plan

Notes:

- Contributions may be increased by adding a 401(k) to a DB Plan
- For younger clients, contributions can be increased by funding the benefits over the first ten years

* This chart makes the following assumptions. If the actual situation differs, the contribution may be different.

Retirement Age: The later of age 62 or 5 years of participation in the plan

Business Start Date: January 1, 2014

Entity Type: Corporation; Contributions might differ for sole proprietors

Income Type: W-2

Typical Occupations

Attorney	Dentist	Farmer	Independent Insurance Agent	Real Estate Agent
Consultant	Engineer	Financial Planner	Manufacturer's Rep	Software Developer
Contractor	Entertainer	Independent Corporate Director	Physician	Writer