

The Small Professional Firm

3% Non-elective Safe Harbor 401(k) Plan with New Comparability Profit Sharing Component

Objective: Maximize the Benefit for Sr. Partner / Provide \$20K to the Jr. Partner / Minimize Overall Costs

Participants	Age	Profit Sharing Allocation %	Salary	(A) Employee 401(k) Deferral Plus Catchup Contribution	(B) Employer 3% Non-elective Safe Harbor Contribution	(C) Employer Profit Sharing Contribution	(B) + (C) Employer Total Employer Contribution	(A) + (B) + (C) EE & ER Total Partner Benefits	Allocation of Total Benefits
Group 1									
Sr. Partner	60	10.21%	\$280,000	\$25,000	\$8,400	\$28,600	\$37,000	\$62,000	50%
Subtotal: Group 1			\$280,000	\$25,000	\$8,400	\$28,600	\$37,000	\$62,000	50%
Group 2									
Jr. Partner	45	4.14%	\$280,000	\$19,00	\$8,400	\$11,600	\$20,000	\$39,000	32%
Subtotal - Group 2			\$280,000	\$19,00	\$8,400	\$11,600	\$20,000	\$39,000	32%
Subtotal: Groups 1 - 2			\$560,000	\$44,000	\$16,800	\$40,200	\$57,000	\$101,000	82%
Group 3									
Office Manager	40	0.00%	\$130,000	\$3,900	\$3,900	\$0	\$3,900		3%
Subtotal: Group 3			\$130,000	\$3,900	\$3,900	\$0	\$3,900		3%
Group 4									
Staff 1	50	1.41%	\$80,000	\$3,200	\$2,400	\$1,125	\$3,525		3%
Staff 2	45	1.41%	70,000	2,800	2,100	985	3,085		3%
Staff 3	40	1.41%	60,000	2,400	1,800	844	2,664		2%
Staff 4	35	1.41%	50,000	2,000	1,500	703	2,203		2%
Staff 5	30	1.41%	40,000	1,600	1,200	563	1,763		1%
Staff 6	30	1.41%	40,000	1,600	1,200	563	1,763		1%
Staff 7	35	1.41%	40,000	1,600	1,200	563	1,763		1%
Staff 8	35	1.41%	35,000	1,400	1,050	492	1,542		1%
Staff 9	30	1.41%	35,000	1,400	1,050	492	1,542		1%
Subtotal: Group 4			\$450,000	\$18,000	\$13,500	\$6,330	\$19,830		15%
Total			\$1,140,000	\$65,900	\$34,200	\$46,530	\$80,730		100%
Estimated Tax Savings for Partners (50% Tax Bracket)				\$22,000	\$17,100	\$23,300	\$40,400	\$62,400	