



# Playing Matchmaker- You & Cash Balance Plans

**Wanted:** Small Business Owners who are seeking strategies to decrease their tax burden while increasing retirement savings.

If this sounds like you, meet the Cash Balance Plan. Just watch out, you may fall madly in love.

A Cash Balance Plan may be a viable and “good looking” option for business owners and business partners who are interested in contributing and deducting more than \$53,000 per year in retirement savings.

Sounds too good to be true, right? Indeed, it is not. Cash Balance Plans can be combined with 401(k) Profit Sharing Plans to allow an additional \$50,000-\$250,000 per year in tax deductible contributions depending on the age and income levels of plan participants.

Let's chat about age and income. As with any successful matchmaking endeavor, consideration surrounding these two formidable numbers is often taken into account. However, unlike dating, you can't lie about such numbers when it pertains to your Cash Balance Plan. You may, though, be pleased to learn that age will often act in your favor as Cash Balance Plans are age-dependent: the older you are, the faster you can potentially accelerate your savings.

In regards to income, consistent and stable cash flow are important. Cash Balance Plans act as the “gold digger” in your retirement planning / tax saving relationship. While Cash Balance Plans are often established for the benefit of owners and key executives (allowing them to maximize personal savings) the rank and file employees

will also benefit from the employer's contributions.

If you have a “fear of commitment,” a Cash Balance Plan may not be for you. Cash Balance Plans require minimum annual contributions to maintain plan funding and stable contribution levels for 3 years.

As you ponder this powerful additional retirement plan option, keep in mind your goals and objectives as a business owner. If your desire is to decrease taxable income and increase your savings, Cash Balance Plans may be a great “match” and quite handy. And... who doesn't love handy, right?

Please call with questions and for further information regarding Retirement Planning/ Cash Balance Plans.

P.S. On a personal note, yes, I am very happily married.

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