

WHO SHOULD CONSIDER THIS PLAN?

Professionals with no employees or an owner and spouse, such as: physicians, dentists, architects, real-estate brokers, attorneys, engineers, entertainers, consultants.

Owner should be age 40 or older.

Plan requires stable business income and contribution levels for at least 5 years.

ADVANTAGES

- High annual contributions.
- Accelerated savings: Higher accumulations for retirement may be achieved in 10 years or less.
- Plan investments are directed by the owner.
- Investments are only limited to what is allowable by the IRS. Crown does not restrict investments.

QUICK TEST

- Is business limited to owner or owner and spouse?
- Is owner age 40 or older?
- Is business income stable?



Owner-Only Defined Benefit Plan

• Owner-only Business • Owner & Spouse-Only Business

Our most popular plan for building retirement savings quickly.

The Crown Owner-only Defined Benefit Plan is an ideal program for the business owner who would like company contributions in excess of \$63,500 (or 25% of compensation, if less) to an IRS-approved retirement program.

How it Works

Employer contributes an actuarially determined amount sufficient to pay each participant a fixed or defined benefit at his or her retirement. Methods of defining the benefit include but are not limited to:

- **Level percentage formula:** Example – The benefit is equal to 100% of compensation, reduced by 1/15 for each year of participant less than 15 years.
- **Step rate service weighted for prior service formula:** Example – The benefit is equal to 8% of compensation for the first 10 years of service plus 5.2% of compensation for all other years, not to exceed a total of 30 years.
- **Plan participation formula:** Example – The benefit is 5% of compensation per year of participant with a maximum of 20 years.

Combine DB with 401(k): Combining a 401(k) Plan with a DB Plan allows additional contributions:

- ✓ Salary deferrals up to \$19,500 (\$26,000 if age 50 or older).
- ✓ An optional Profit Sharing contribution of up to 6% of compensation or \$16,800 (with \$280,000 W2 income).

Examples

Compare an Owner-only Defined Benefit Plan combined with a 401(k) Profit Sharing Plan to a stand-alone Owner-only 401(k) Plan.

Age	W-2 Wages	DB & 401(k) Contributions*		Owner-Only 401(k)	DB+K Advantage
40	\$195,000	\$119,646	-Vs-	\$57,000	\$62,646
50	\$195,000	\$178,145		\$63,500	\$114,645
60	\$195,000	\$267,281		\$63,500	\$203,781

The table illustrates hypothetical first year contributions for an employee retiring at age 62 with at least 5 years of plan participation. The benefit is 10% of compensation per year of plan participation which provides the IRS maximum annual benefit per year.

Start Today - Free Proposal

To find out if an Owner-Only Defined Benefit Plan Cash Balance is right for you or your client, contact us. In one easy step, Crown will run a contribution illustration at no cost or obligation. **Call Today (800) 269-1447 .**