

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)
2019 Contribution :	\$197,000	\$238,800
Tax Savings@ 37% :	\$72,800	\$88,300
Projected DB Accumulation :	\$2.73 Million	
Annual DB Benefit :	\$225,000	

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

2019 Contribution :	\$120,000
Tax Savings@ 37% :	\$44,400
Projected DB Accumulation :	\$854,800
Annual DB Benefit :	\$70,500

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)
2019 Contribution :	\$111,000	\$141,000
Tax Savings@ 37% :	\$41,000	\$52,100
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

2019 Contribution :	\$80,000
Tax Savings@ 37% :	\$29,600
Projected DB Accumulation :	\$453,600
Annual DB Benefit :	\$40,100

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 \$280,000, both plan to retire in 5 years.

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

	DB only	DB + 401(k)
2019 Contribution :	\$458,700	\$542,300
Tax Savings@ 37% :	\$169,700	\$200,600
Projected DB Accumulation :	\$2.60 Million	
Annual DB Benefit :	\$225,000	

Retired Corporate Executive, Consulting for a Few years

Objective: Reduce tax hit and delay Required Minimum Distributions (RMDs)

Profile: Consultant, age 70, earns \$200,000 in W-2 income. She will need to begin taking distributions from her retirement plans this year, and wants to reduce her tax liability while she's working.

Solution: DB Plan for 5 years with a 3-yr. cliff vesting schedule, No RMDs from this plan until 2022

2019 Contribution :	\$149,900
Tax Savings@ 37% :	\$55,400
Projected DB Accumulation :	\$834,300

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:
 - Is a sole practitioner or owns business with family
 - 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	\$17,600	\$22,000	\$30,000	\$36,400	\$44,200	\$44,900	\$39,600
\$100,000	\$35,300	\$44,000	\$60,100	\$72,900	\$88,400	\$89,800	\$79,200
\$150,000	\$53,000	\$66,100	\$90,200	\$109,400	\$132,700	\$134,700	\$118,900
\$200,000	\$70,700	\$88,100	\$120,300	\$145,900	\$176,900	\$179,600	\$158,500
\$250,000	\$88,400	\$110,200	\$150,400	\$182,400	\$221,100	\$224,500	\$198,100
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, 2019

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