

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)
2018 Contribution :	\$197,300	\$238,300
Tax Savings@ 37% :	\$73,000	\$88,100
Projected DB Accumulation :	\$2.66 Million	
Annual DB Benefit :	\$220,000	

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

2018 Contribution :	\$120,000
Tax Savings@ 37% :	\$44,400
Projected DB Accumulation :	\$842,200
Annual DB Benefit :	\$69,400

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)
2018 Contribution :	\$114,800	\$144,400
Tax Savings@ 37% :	\$42,400	\$53,400
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

2018 Contribution :	\$80,000
Tax Savings@ 37% :	\$29,600
Projected DB Accumulation :	\$448,500
Annual DB Benefit :	\$39,600

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 \$275,000, both plan to retire in 5 years.

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

	DB only	DB + 401(k)
2018 Contribution :	\$454,000	\$536,000
Tax Savings@ 37% :	\$167,900	\$198,300
Projected DB Accumulation :	\$2.54 Million	
Annual DB Benefit :	\$220,000	

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 2021

2018 Contribution :	\$151,700
Tax Savings@ 37% :	\$56,100
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	\$17,500	\$21,800	\$30,900	\$37,500	\$44,900	\$45,400	\$40,100
\$100,000	\$35,000	\$43,700	\$61,800	\$75,100	\$89,900	\$90,900	\$80,200
\$150,000	\$52,500	\$65,500	\$92,700	\$112,600	\$134,900	\$136,300	\$120,300
\$200,000	\$70,000	\$87,400	\$123,700	\$150,200	\$179,900	\$181,800	\$160,400
\$250,000	\$85,600	\$106,800	\$151,200	\$183,500	\$219,900	\$222,200	\$200,500

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, 2018

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