

Owner-Only Business

Objective: Maximum contribution and tax deduction

Profile: Independent consultant age 53, 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)
2021 Contribution :	\$210,000	\$253,400
Tax Savings@ 37%* :	\$77,700	\$93,700
Projected DB Accumulation :	\$2.5 Million	
Annual DB Benefit :	\$207,000	

Employee with Side-income

Objective: Reduce taxes on side income

Profile: University Professor, age 57, 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

2021 Contribution :	\$143,300
Tax Savings@ 37%* :	\$53,000
Projected DB Accumulation :	\$818,200
Annual DB Benefit :	\$67,500

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)
2021 Contribution :	\$155,800	\$186,400
Tax Savings@ 37%* :	\$57,645	\$68,970
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 61, 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

2021 Contribution :	\$97,500
Tax Savings@ 37%* :	\$36,000
Projected DB Accumulation :	\$551,800
Annual DB Benefit :	\$50,000

Married Business Partners, No Employees

Objective: Maximize retirement savings

Profile: Husband & wife doctors, Adam age 61, Eva age 59, W-2 income for each is \$290,000, both plan to retire in 5 years.

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

	DB only	DB + 401(k)
2021 Contribution :	\$462,200	\$548,400
Tax Savings@ 37%* :	\$171,000	\$202,900
Projected DB Accumulation :	\$2.9 Million	
Annual DB Benefit :	\$261,700	

Former Corporate Executive,
Now Consulting with an S-Corp

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

Profile: Consultant, age 72, takes \$200,000 in W-2 income. She will be required to take distributions from her retirement plans this year, and wants to reduce her overall tax liability while she still earns income as a consultant.

Solution: DB Plan for 5 years with a 3-yr. cliff vesting schedule, No RMDs from this plan until 2024

2021 Contribution :	\$138,600
Tax Savings@ 37%* :	\$51,200
Projected DB Accumulation :	\$769,600

*Assumes estimated 31% federal and 6% state tax rates. This example is based on specific assumptions and is used for illustrative purposes only.

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 35+ 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 35+ 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	\$20,600	\$25,400	\$33,800	\$40,800	\$49,200	\$49,900	\$44,000
\$100,000	\$41,300	\$50,900	\$67,600	\$81,600	\$98,500	\$99,800	\$88,000
\$150,000	\$62,000	\$76,400	\$101,500	\$122,400	\$147,800	\$149,700	\$132,000
\$200,000	\$82,600	\$101,900	\$135,300	\$163,300	\$197,000	\$199,600	\$176,100
\$250,000	\$95,000	\$117,200	\$155,600	\$187,800	\$226,600	\$229,500	\$220,100
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, 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