

WHY ADOPT A QUALIFIED PLAN?

A qualified plan provides current tax savings and can build wealth for tomorrow.

- Business Reasons:
 - Enhances employee loyalty
 - Helps attract and retain quality employees
 - Motivates employees
 - Provides retirement security for employees
 - Reduces the company's current tax obligation
- Tax Reasons:
 - Contributions to the plan are tax deductible
 - Contributions are not currently income taxable to the employees
 - Plan earnings grow tax deferred until withdrawn
 - No income tax on net insured death benefits
- Retirement Reasons
 - Savings at retirement
 - Distributions can be rolled to an IRA and stretched over beneficiary's lifetime
- Protection Reasons
 - Generally protected from the claims of creditors
 - Guaranteed retirement benefits*
 - Income tax free death benefits**

EMPLOYEES MAY NOT COST ANYTHING

When a plan works efficiently tax savings cover the cost of the employees participating in the plan.

Plan Sponsor's Tax Rate	35%
Plan Sponsor's Total Contribution	\$129,500
Plan Sponsor's Tax Savings	<u>\$45,325</u>
Net After Tax Cost of Plan	\$84,125
Deposit For Owners & Family	<u>\$125,750</u>
Net Gain	\$41,625+

Without adopting the plan \$42,612 will be lost to paid taxes.

	Age	Salary	Profit Sharing Contribution
Pat	61	\$305,000	\$61,000
Chris	57	\$305,000	\$61,000
Drew	32	\$75,000	\$3,750
EE 1	27	\$45,000	\$2,250
EE 2	62	\$30,000	\$1,500
Total		\$710,000	\$129,500

OUR DIFFERENCE. YOUR ADVANTAGE

