

# 2010 ABC, INC. Defined Benefit Plan Proposal

	<u>W/ Pension Plan</u>	<u>W/O Pension Plan</u>
2010 S-Corp. Net Income <b>(Assumed)</b>	\$200,000	\$200,000
<b>Defined Benefit Contribution</b>	<b>(\$188,000)</b>	\$0
2010 S-Corp. Final Net Income (K-1):	<u>\$12,000</u>	<u>\$200,000</u>
2010 Personal Income (Owners):		
2010 S-Corp. K-1	\$12,000	\$200,000
Salary (Owners)	<u>\$275,000</u>	<u>\$275,000</u>
Personal Taxable Income (Owners)	\$287,000	\$475,000
<b>2010 Personal Fed &amp; State Tax Paid</b>	<b>\$125,000</b>	<b>\$215,000</b>

Participant Name	Age	W-2 Salary	Defined Benefit	Percentage %
Owner 1	60	\$245,000.00	\$150,000.00	79.79%
Owner 2	57	\$30,000.00	\$15,000.00	7.98%
Employee 1	30	\$35,000.00	\$10,000.00	5.32%
Employee 2	28	\$30,000.00	\$8,000.00	4.26%
Employee 3	25	\$25,000.00	\$5,000.00	2.66%
<b>Total</b>		<b>\$365,000.00</b>	<b>\$188,000.00</b>	<b>100.00%</b>

**Note:**

1. Defined Benefit is contributed by Employer as a pension expense for the corporation and it's 100% tax deduction
2. The Total Tax Savings will be around **\$90,000**

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