

# Young Owner, Large Tax Savings

## 2025 Illustration Detail



Participant	Group	Near Age	Plan Comp	401(k) Deferral	401(k) Match	Safe Harbor Non-Elective	Add'l Profit Sharing	Defined Bft Allocation	Total Employer Contribution	Total Benefit Amount	Total Benefit Allocation
<b>Owners</b>											
Owner	1	38	\$350,000.00	\$23,500.00	\$0.00	\$0.00	\$18,375.00	\$94,520.76	\$112,895.76	\$136,395.76	96.2%
<b>Subtotal Owners</b>			<b>\$350,000.00</b>	<b>\$23,500.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$18,375.00</b>	<b>\$94,520.76</b>	<b>\$112,895.76</b>	<b>\$136,395.76</b>	<b>96.2%</b>
<b>Non-Owner HCEs</b>											
<b>Subtotal Non-Owner HCEs</b>			<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Employees</b>											
EE 1	2	28	\$20,000.00	\$0.00	\$0.00	\$600.00	\$1,600.00	\$207.24	\$2,407.24	\$2,407.24	1.7%
EE 2	2	29	\$25,000.00	\$0.00	\$0.00	\$750.00	\$2,000.00	\$272.00	\$3,022.00	\$3,022.00	2.1%
<b>Subtotal Employees</b>			<b>\$45,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,350.00</b>	<b>\$3,600.00</b>	<b>\$479.24</b>	<b>\$5,429.24</b>	<b>\$5,429.24</b>	<b>3.8%</b>
<b>TOTAL</b>			<b>\$395,000.00</b>	<b>\$23,500.00</b>	<b>\$0.00</b>	<b>\$1,350.00</b>	<b>\$21,975.00</b>	<b>\$95,000.00</b>	<b>\$118,325.00</b>	<b>\$141,825.00</b>	<b>100.0%</b>

## 2025 Illustration Summary

Item	Value
1) Owner Benefits	\$136,396
2) Employer Paid Employee Benefits	\$5,429
3) Total Employer Deduction (Item 1 + Item 2)	\$141,825
4) Employee Paid Benefits	\$0
5) Total Benefits (Item 3 + Item 4)	\$141,825
<b>6) Owner Paid Allocation (Item 1 / Item 3)</b>	<b>96.2%</b>
<b>7) Illustrative Tax Savings *</b>	<b>\$56,730</b>
<b>8) NET ILLUSTRATIVE TAX SAVINGS **</b>	<b>\$51,301</b>

\* Illustrative combined tax rate of 40%. Saber Pension does not provide tax advice. Consult with your tax professional for additional information.

\*\* Illustrative tax savings less employee benefits paid by the employer (Item 7 - Item 2).

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2025 Data



Participant	Owner	HCE	Key	DOB	DOH	DOP	DOT	2025 Plan Comp	2024 Plan Comp	2023 Plan Comp	2022 Plan Comp
<b>Owners</b>											
Owner	Y	Y	Y	7/1/1987	7/1/2018	1/1/2025	N/A	\$350,000.00	\$345,000.00	\$330,000.00	\$305,000.00
<b>Subtotal Owners</b>								\$350,000.00	\$345,000.00	\$330,000.00	\$305,000.00
<b>Non-Owner HCEs</b>											
<b>Subtotal Non-Owner HCEs</b>								\$0.00	\$0.00	\$0.00	\$0.00
<b>Employees</b>											
EE 1	N	N	N	7/1/1997	1/1/2024	1/1/2025	N/A	\$20,000.00			
EE 2	N	N	N	7/1/1996	1/1/2024	1/1/2025	N/A	\$25,000.00			
<b>Subtotal Employees</b>								\$45,000.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>								\$395,000.00	\$345,000.00	\$330,000.00	\$305,000.00

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## Plan Provisions



### General Provisions

Plan Effective Date:	January 1, 2025
Past Service Date:	January 1, 2025
Eligibility:	21 & 1
Vesting:	6-Yr Graded
Normal Retirement:	62 and 5 Part.
Normal Form:	Life Only
QJSA:	J&S 50%
Actuarial Equivalence	
Int. Rate:	5.00%
Pre-Ret. Mort.:	NoMort
Post-Ret. Mort.:	2025AMT
417(e) Look Back:	5 month(s)

### Defined Benefit Plan

Avg Period	
Avg. Years:	3 Years
Total Years:	99 Years
Multiplier	
Group 1:	10.00% (10 Yr Cap)
Group 2:	0.50% (10 Yr Cap)

### Cash Balance Plan

Int. Credit. Rate:	
Rate:	N/A
Timing:	N/A
Pay Credits	
Group 1:	N/A

### 401(k) Profit Sharing Plan

Safe Harbor	
Contribution:	Non-Elective
Coverage:	HCEs Excluded
Allocation	
Group 1:	5.25% of Pay
Group 2:	11.00% of Pay

## Assumptions and Methods

### Funding

Pre-ret. Decrements:	None
Post-ret. Decrements	
Mortality:	Combined Tables
Retirement:	Normal Retirement
Payment Form:	Lump Sum
Segment Look Back:	4 month(s)
Asset Method:	Market

### Testing

Testing Period:	Annual
Testing Basis:	Benefits
Testing Age:	65
Grouping:	No
Permit. Disp.:	No
Pay Average:	Current
Testing Mortality:	UP84(0)
Testing Interest:	8.500%