

# Young Owner, Large Tax Savings

## 2026 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	\$360,000.00	\$24,500.00	\$0.00	\$0.00	\$21,600.00	\$99,512.84	\$121,112.84	\$145,612.84	96.3%
<b>Subtotal Owners</b>			<b>\$360,000.00</b>	<b>\$24,500.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$21,600.00</b>	<b>\$99,512.84</b>	<b>\$121,112.84</b>	<b>\$145,612.84</b>	<b>96.3%</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	\$1,650.00	\$210.66	\$2,460.66	\$2,460.66	1.6%
EE 2	2	29	\$25,000.00	\$0.00	\$0.00	\$750.00	\$2,062.50	\$276.50	\$3,089.00	\$3,089.00	2.0%
<b>Subtotal Employees</b>			<b>\$45,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,350.00</b>	<b>\$3,712.50</b>	<b>\$487.16</b>	<b>\$5,549.66</b>	<b>\$5,549.66</b>	<b>3.7%</b>
<b>TOTAL</b>			<b>\$405,000.00</b>	<b>\$24,500.00</b>	<b>\$0.00</b>	<b>\$1,350.00</b>	<b>\$25,312.50</b>	<b>\$100,000.00</b>	<b>\$126,662.50</b>	<b>\$151,162.50</b>	<b>100.0%</b>

## 2026 Illustration Summary

Item	Value
1) Owner Benefits	\$145,613
2) Employer Paid Employee Benefits	\$5,550
3) Total Employer Deduction (Item 1 + Item 2)	\$151,163
4) Employee Paid Benefits	\$0
5) Total Benefits (Item 3 + Item 4)	\$151,163
<b>6) Owner Paid Allocation (Item 1 / Item 3)</b>	<b>96.3%</b>
<b>7) Illustrative Tax Savings *</b>	<b>\$60,465</b>
<b>8) NET ILLUSTRATIVE TAX SAVINGS **</b>	<b>\$54,915</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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2026 Data



Participant	Owner	HCE	Key	DOB	DOH	DOP	DOT	2026 Plan Comp	2025 Plan Comp	2024 Plan Comp	2023 Plan Comp
<b>Owners</b>											
Owner	Y	Y	Y	7/1/1988	7/1/2019	1/1/2026	N/A	\$360,000.00	\$350,000.00	\$345,000.00	\$330,000.00
Subtotal Owners								\$360,000.00	\$350,000.00	\$345,000.00	\$330,000.00
<b>Non-Owner HCEs</b>											
Subtotal Non-Owner HCEs								\$0.00	\$0.00	\$0.00	\$0.00
<b>Employees</b>											
EE 1	N	N	N	7/1/1998	1/1/2025	1/1/2026	N/A	\$20,000.00			
EE 2	N	N	N	7/1/1997	1/1/2025	1/1/2026	N/A	\$25,000.00			
Subtotal Employees								\$45,000.00	\$0.00	\$0.00	\$0.00
TOTAL								\$405,000.00	\$350,000.00	\$345,000.00	\$330,000.00

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## Plan Provisions



### General Provisions

Plan Effective Date: January 1, 2026  
Past Service Date: January 1, 2026

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.: 2026AMT  
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: 6.00% of Pay  
Group 2: 11.25% 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%