

CASH BALANCE PLAN – ESTIMATE ONLY (Illustrative Case Study)

Anonymized presentation of a real plan. Not a funding statement.

How to Read This Example: This case study reflects a real-life Cash Balance Plan implemented for a law office and designed by Matrix Private Wealth Management in coordination with qualified ERISA professionals. The illustration demonstrates how a Cash Balance Plan, when paired with a Safe Harbor 401(k) and Profit Sharing Plan, may allow a business owner to make substantially larger retirement contributions than a standalone 401(k), while maintaining compliant benefits for employees. Participant names have been anonymized and amounts shown are illustrative.

PARTICIPANT	Age	SALARY	401(k) DEF	401(k) %	3% SAFE HARBOR	PROFIT SHARING	PS %	TOTAL DC	CASH BALANCE	CB %	DC + DB TOTAL	% OF EMPLOYER
Owner 1	60.5	\$276,000	\$31,000	11.23%	\$2,070	\$13,087	4.74%	\$46,157	\$259,879	94.16%	\$306,036	
TOTAL – GROUP 1		\$276,000	\$31,000		\$2,070	\$13,087		\$46,157	\$259,879		\$306,036	97%
Employee 1	45.8	\$19,360	\$0	0.00%	\$145	\$1,307	6.75%	\$1,452	\$461	2.38%	\$1,913	
Employee 2	26.8	\$74,153	\$0	0.00%	\$556	\$5,005	6.75%	\$5,561	\$698	0.94%	\$6,259	
TOTAL – GROUP 2		\$93,513	\$0		\$701	\$6,312		\$7,013	\$1,158		\$8,172	3%
GRAND TOTAL		\$369,513	\$31,000		\$2,771	\$19,399		\$53,171	\$261,037		\$314,208	100%

TOTAL EMPLOYER CONTRIBUTION: \$283,208.00

Acronym Definitions:

DC = Defined Contribution (401(k) + Safe Harbor + Profit Sharing)

DB = Defined Benefit (Cash Balance Plan)

CB = Cash Balance Plan

PS = Profit Sharing

Column Formula Explanations:

401(k) % = 401(k) Deferral ÷ Salary

Profit Sharing % = Profit Sharing Contribution ÷ Salary

CB % = Cash Balance Contribution ÷ Salary

Total DC = 401(k) Deferral + Safe Harbor + Profit Sharing

DC + DB Total = Total DC + Cash Balance Contribution

% of Employer = (Safe Harbor + Profit Sharing + Cash Balance) ÷ Total Employer Contributions



Compliance Disclaimer: This material is provided for informational and educational purposes only and does not constitute investment, tax, or legal advice. Cash Balance Plans involve complex IRS and ERISA rules and are not suitable for all businesses. Contributions and tax effects are not guaranteed and are determined annually based on final compensation, demographics, and actuarial calculations. Consult your CPA, ERISA attorney, and qualified plan professionals before implementing any retirement plan strategy.