

Sample DC/CB Proposal

Combined Plan Proposal

For the Plan Year Ending December 31, 2024

Prepared By

Actuarial Systems Corporation

This DC/CB Proposal and Budget Report is meant for illustration purposes only. The assumptions, data and results used for proposal purposes may not always be appropriate for valuation purposes.

Sample DC/CB Proposal
Compliance Testing Summary
For Plan Year Ending December 31, 2024

401(a)(4) Nondiscrimination Test

Test: Pass

401(a)(26) DB Minimum Participation Test

Test: Pass

402(g) Excess Deferrals Test

Test: Pass

404 DC/CB Combined Deduction Limit

Contributions Exceeding Limit: No

410(b) Coverage Test

Test: Pass

415(c) Maximum Allocations Test

Test: Pass

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Sample DC/CB Proposal
Plan Specifications
For Plan Year Ending December 31, 2024

		<u>DC Plan</u>	<u>CB Plan</u>
Primary Eligibility	Age:	21	21
	Service:	1 year	1 year
	Exclusions:	Union, Leased, and Nonresidents	None
	Entry Date(s):	Jan 1 and Jul 1	Jan 1 and Jul 1
	Source(s):	Employee Deferral, Employer	
Normal Retirement	Age:	62	62
	Participation:	1	1
Contributions	Group 1:	\$69,000	\$103,000
	Group 2:	18.96%	5.5% of compensation
	Group 3:	7.5%	
415 Maximum Benefit		\$69,000	Lesser of \$22,916.66 and 100% of the highest 3-year average salary, subject to service requirements.

Budget Conditions

Budget Amount	\$200,000
Budget Includes Deferrals	No
Increment Amount	1.00%
Maximum DC Percent	20.00%

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Sample DC/CB Proposal
Summary of Assumptions
For Plan Year Ending December 31, 2024

	For Funding		For Actuarial Equivalence
	<u>Min</u>	<u>Max</u>	
Interest Rates	Seg 1:	5.01%	Pre-Retirement: 5.00%
	Seg 2:	5.26%	Post-Retirement: 5.00%
	Seg 3:	5.59%	
Applicable Date	12/2024	12/2024	
Pre-Retirement	No pre-retirement decrements		
Assumed Ret Age	Normal retirement age 62 and 1 years of participation		Normal retirement age 62 and 1 years of participation
Post-Retirement			
Mortality	Male-2024 Small Plan Static Table – Combined Male Female-2024 Small Plan Static Table – Combined Female		2024 Applicable Mortality Table from Notice 2023-73
Assumed Benefit Form For Funding	100% Lump Sum / 0% Normal Form		
Cash Balance Interest Crediting Rate	5.00% annual rate		
Cash Balance Projected Interest Crediting Rate	5.00% annual rate		

Sample DC/CB Proposal
Employee Census
For Plan Year Ending December 31, 2024

<u>Participant Name</u>	<u>Owner Pct</u>	<u>HCE</u>	<u>Key</u>	<u>Date of Birth</u>	<u>Date of Hire</u>	<u>Current Comp</u>	<u>Hours</u>	<u>Defined Contribution Plan</u>			<u>Cash Balance Plan</u>		
								<u>Status Code</u>	<u>Date of Entry</u>	<u>Group Code</u>	<u>Status Code</u>	<u>Date of Entry</u>	<u>Group Code</u>
Owner/HCE	100.00	Y	Y	01/01/1960	01/01/2015	250,000.00	2080	B	01/01/2024	1	B	01/01/2024	1
Subtotal (1 Participant):						250,000.00							
Staff2/NHCE		N	N	01/01/1970	01/01/2017	50,000.00	2080	B	01/01/2024	2	B	01/01/2024	2
Staff3/NHCE		N	N	01/01/1960	01/01/2017	50,000.00	2080	B	01/01/2024	3	B	01/01/2024	2
Staff4/NHCE		N	N	01/01/1975	01/01/2017	100,000.00	2080	B	01/01/2024	2	B	01/01/2024	2
Staff6/NHCE		N	N	01/01/1965	01/01/2017	50,000.00	2080	B	01/01/2024	2	B	01/01/2024	2
Staff7/NHCE		N	N	01/01/1955	01/01/2017	100,000.00	2080	B	01/01/2024	3	B	01/01/2024	2
Staff8/NHCE		N	N	01/01/1955	01/01/2017	25,000.00	2080	B	01/01/2024	3	B	01/01/2024	2
Staff9/NHCE		N	N	01/01/1960	01/01/2017	50,000.00	2080	B	01/01/2024	3	B	01/01/2024	2
Staff10/NHCE		N	N	01/01/1970	01/01/2017	50,000.00	2080	B	01/01/2024	2	B	01/01/2024	2
Staff11/NHCE		N	N	01/01/1965	01/01/2017	25,000.00	2080	B	01/01/2024	3	B	01/01/2024	2
Staff12/NHCE		N	N	01/01/1960	01/01/2017	25,000.00	2080	B	01/01/2024	3	B	01/01/2024	2
Subtotal (10 Participants):						525,000.00							
Total (11 Participants):						775,000.00							

Sample DC/CB Proposal
DC Plan Contributions
For Plan Year Ending December 31, 2024

<u>Participant Name</u>	<u>Owner Pct</u>	<u>HCE</u>	<u>Key</u>	<u>Group Code</u>	<u>Annual Comp</u>	<u>Employer Contrib</u>	<u>Total Employer Contrib</u>	<u>Employer Pct of Comp</u>
Owner/HCE	100.00	Y	Y	1	250,000.00	100.00	100.00	0.04
Subtotal					250,000.00	100.00	100.00	
Staff2/NHCE		N	N	2	50,000.00	9,480.00	9,480.00	18.96
Staff3/NHCE		N	N	3	50,000.00	3,750.00	3,750.00	7.50
Staff4/NHCE		N	N	2	100,000.00	18,960.00	18,960.00	18.96
Staff6/NHCE		N	N	2	50,000.00	9,480.00	9,480.00	18.96
Staff7/NHCE		N	N	3	100,000.00	7,500.00	7,500.00	7.50
Staff8/NHCE		N	N	3	25,000.00	1,875.00	1,875.00	7.50
Staff9/NHCE		N	N	3	50,000.00	3,750.00	3,750.00	7.50
Staff10/NHCE		N	N	2	50,000.00	9,480.00	9,480.00	18.96
Staff11/NHCE		N	N	3	25,000.00	1,875.00	1,875.00	7.50
Staff12/NHCE		N	N	3	25,000.00	1,875.00	1,875.00	7.50
Subtotal					525,000.00	68,025.00	68,025.00	
Total					775,000.00	68,125.00	68,125.00	

Sample DC/CB Proposal
Cash Balance Plan Costs
For Plan Year Ending December 31, 2024

<u>Participant Name</u>	<u>Owner Pct</u>	<u>HCE</u>	<u>Key</u>	<u>Group Code</u>	<u>Annual Comp</u>	<u>Contrib Credit</u>	<u>Pct of Comp</u>	<u>PPA Minimum Funding Target</u>	<u>Normal Cost</u>	<u>PPA Maximum Funding Target</u>	<u>Normal Cost</u>	<u>Cost Estimate</u>	<u>415 Imm Lump Sum</u>	<u>Accrued Benefit</u>
Owner/HCE	100.00	Y	Y	1	250,000.00	103,000.00	41.20	0.00	103,000.00	0.00	103,000.00	103,000.00	330,610.00	684.79
Subtotal					250,000.00	103,000.00		0.00	103,000.00	0.00	103,000.00	103,000.00		
Staff2/NHCE		N	N	2	50,000.00	2,750.00	5.50	0.00	2,703.00	0.00	2,703.00	2,703.00	247,175.00	24.04
Staff3/NHCE		N	N	2	50,000.00	2,750.00	5.50	0.00	2,750.00	0.00	2,750.00	2,750.00	330,610.00	18.28
Staff4/NHCE		N	N	2	100,000.00	5,500.00	5.50	0.00	5,339.00	0.00	5,339.00	5,339.00	192,705.00	61.36
Staff6/NHCE		N	N	2	50,000.00	2,750.00	5.50	0.00	2,750.00	0.00	2,750.00	2,750.00	317,162.00	18.84
Staff7/NHCE		N	N	2	100,000.00	5,500.00	5.50	0.00	5,500.00	0.00	5,500.00	5,500.00	421,897.00	41.93
Staff8/NHCE		N	N	2	25,000.00	1,375.00	5.50	0.00	1,375.00	0.00	1,375.00	1,375.00	211,052.00	10.48
Staff9/NHCE		N	N	2	50,000.00	2,750.00	5.50	0.00	2,750.00	0.00	2,750.00	2,750.00	330,610.00	18.28
Staff10/NHCE		N	N	2	50,000.00	2,750.00	5.50	0.00	2,703.00	0.00	2,703.00	2,703.00	247,175.00	24.04
Staff11/NHCE		N	N	2	25,000.00	1,375.00	5.50	0.00	1,375.00	0.00	1,375.00	1,375.00	266,371.00	9.42
Staff12/NHCE		N	N	2	25,000.00	1,375.00	5.50	0.00	1,375.00	0.00	1,375.00	1,375.00	240,442.00	9.14
Subtotal					525,000.00	28,875.00		0.00	28,620.00	0.00	28,620.00	28,620.00		
Total					775,000.00	131,875.00		0.00	131,620.00	0.00	131,620.00	131,620.00		

Sample DC/CB Proposal
Employee Contributions and Costs Summary
For Plan Year Ending December 31, 2024

<u>Participant Name</u>	<u>Owner Pct</u>	<u>HCE</u>	<u>Key</u>	<u>Annual Comp</u>	<u>CB Plan Contrib Credit</u>	<u>CB Plan Pct of Comp</u>	<u>Pct of CB Plan Cost</u>	<u>DC Plan Employer Contrib</u>	<u>CB Plan Cost Estimate</u>	<u>Combined Employer Contrib</u>	<u>Combined Pct of Comp</u>	<u>Pct of Total Plan Cost</u>	<u>Combined Contrib w/ Defer</u>
Owner/HCE	100.00	Y	Y	250,000.00	103,000.00	41.20	78.10	100.00	103,000.00	103,100.00	41.24	51.62	125,600.00
Subtotal				250,000.00	103,000.00			100.00	103,000.00	103,100.00			125,600.00
Staff2/NHCE		N	N	50,000.00	2,750.00	5.50	2.09	9,480.00	2,703.00	12,183.00	24.37	6.10	13,183.00
Staff3/NHCE		N	N	50,000.00	2,750.00	5.50	2.09	3,750.00	2,750.00	6,500.00	13.00	3.25	7,500.00
Staff4/NHCE		N	N	100,000.00	5,500.00	5.50	4.17	18,960.00	5,339.00	24,299.00	24.30	12.16	26,299.00
Staff6/NHCE		N	N	50,000.00	2,750.00	5.50	2.08	9,480.00	2,750.00	12,230.00	24.46	6.12	13,230.00
Staff7/NHCE		N	N	100,000.00	5,500.00	5.50	4.17	7,500.00	5,500.00	13,000.00	13.00	6.51	15,000.00
Staff8/NHCE		N	N	25,000.00	1,375.00	5.50	1.04	1,875.00	1,375.00	3,250.00	13.00	1.63	3,750.00
Staff9/NHCE		N	N	50,000.00	2,750.00	5.50	2.09	3,750.00	2,750.00	6,500.00	13.00	3.25	7,500.00
Staff10/NHCE		N	N	50,000.00	2,750.00	5.50	2.09	9,480.00	2,703.00	12,183.00	24.37	6.10	13,183.00
Staff11/NHCE		N	N	25,000.00	1,375.00	5.50	1.04	1,875.00	1,375.00	3,250.00	13.00	1.63	3,750.00
Staff12/NHCE		N	N	25,000.00	1,375.00	5.50	1.04	1,875.00	1,375.00	3,250.00	13.00	1.63	3,750.00
Subtotal				525,000.00	28,875.00			68,025.00	28,620.00	96,645.00			107,145.00
Total				775,000.00	131,875.00			68,125.00	131,620.00	199,745.00			232,745.00

Sample DC/CB Proposal
Combo Plan Budget Summary
For Plan Year Ending December 31, 2024

Cash Balance Funding Range

A)	Cash Balance PPA Minimum Required Contribution:	131,620
B)	Cash Balance Contribution Credits:	131,875
C)	Cash Balance PPA Maximum Deductible Contribution:	131,620
D)	Estimated Cash Balance Cost [Greater of A and B, but no more than C]:	131,620

Combined Plan Maximum Deduction Limit

E)	Cash Balance Plan Covered by PBGC?:	Yes
F)	Defined Contribution Limited Compensation:	775,000
G)	Defined Contribution Employer Contributions:	68,125
H)	Ratio of Employer Contributions to Limited Compensation [G / F]:	8.79%
I)	Do DC Contributions Exceed 6% of Limited Compensation? [Is H > 6%]:	Yes
J)	Potential Combined Plan Deduction Limit [C + 25% of F]:	325,370
	<i>If CB Plan is covered by PBGC, C + 25% of F</i>	
	<i>If CB Plan is not covered by PBGC, if I = Yes, then 31% of F</i>	
	<i>If CB Plan is not covered by PBGC, if I = No, then C + 6% of F</i>	
	<i>If DC only, then 25% of F</i>	

Budget Analysis

K)	Budget:	200,000
L)	Defined Contribution Cost:	
	1) Employer Cost:	68,125
	2) Employee Deferral:	N/A
M)	Cash Balance Cost:	131,620
N)	Total Combined Plan Cost:	199,745

Disclaimer: Total Combined Plan Cost may be less than the Combined Plan Available Deduction Limit if one or more individual's 415 limit has been reached.

Sample DC/CB Proposal
Percentage to Owner Employees
For Plan Year Ending December 31, 2024

	<u>DC Plan Contribution</u>	<u>CB Plan Contribution</u>	<u>Total Contribution</u>	<u>Percent of Total</u>	<u>Employer Contribution</u>
Owner Employees	100.00	103,000.00	103,100.00	51.62%	103,100.00
Other Employees	68,025.00	28,620.00	96,645.00	48.38%	96,645.00
Total	68,125.00	131,620.00	199,745.00	100.00%	199,745.00

SAMPLE