

# Solo 401(k) Plan

2024 Solo 401(k) Illustration for: <b>SAMPLE</b>						
Employee Name*	Age	Comp	Employee 401(k) Contributions**	Discretionary Contribution***	Percent of Compensation****	Total Allocation
Owner	55	\$230,000	\$30,500	\$46,000	20.00%	\$76,500
Spouse	45	\$230,000	\$23,000	\$46,000	20.00%	\$69,000
<b>OWNERS' BENEFIT</b>						<b>\$145,500</b>

\*Solo 401(k) Plans are limited to companies with only owners and spouses. No other common law employees that meet statutory eligibility requirements.

\*\*Assumptions are that the owners and spouses will maximize their 401(k) contributions.

\*\*\*Discretionary Profit Sharing Contribution can be anything up to 25% of compensation not to exceed dollar limit.

\*\*\*\*S-Corp & C-Corp = 25%

\*\*\*\*Sole Prop & Partnership = 20% (default if unknown)

# Simplified Employee Pension

2024 SEP Illustration for: SAMPLE						
Employee Name*	DOB	Comp	Employee Contributions**	SEP Contribution***	Percent of Compensation****	Total Allocation
Owner 1 - Age 50+	01/01/1955	\$345,000	N/A	\$69,000	20.00%	\$69,000
Owner 2 - Under 50	01/01/1975	\$345,000	N/A	\$69,000	20.00%	\$69,000
Owner 3 - Under 50	01/01/1975	\$150,000	N/A	\$30,000	20.00%	\$30,000
Employee 1	01/01/2000	\$50,000	N/A	\$10,000	20.00%	\$10,000
Employee 2	01/01/1975	\$40,000	N/A	\$8,000	20.00%	\$8,000
Employee 3	01/01/1998	\$35,000	N/A	\$7,000	20.00%	\$7,000
<b>Totals</b>		\$965,000	N/A	\$193,000		\$193,000
<b>Total allocation to:</b>						
Principals			N/A	\$168,000		\$168,000
Employees			N/A	\$25,000		\$25,000
					In Dollars	% of Allocation
				PRINCIPALS' BENEFIT	\$168,000	87.05%
				COST to PRINCIPALS	\$25,000	12.95%

\*We excluded anyone under 21 or has not worked at least 3 of the last 5 years as of Jan 1.

\*\*Employee contributions are not allowed in a SEP.

\*\*\*Using a 20% employer SEP contribution for illustrative purposes. Actual contribution may be lower than shown.

\*\*\*\*S-Corp & C-Corps = 25%

\*\*\*\*Sole Prop & Partnership = 20% (Default if unknown)

# SIMPLE Plan

## 2024 SIMPLE IRA Non-Elective Illustration for: SAMPLE

Employee Name*	DOB	Comp	Employee Contributions**	SIMPLE Non-Elective***	Percent of Compensation	Total Allocation
Owner 1 - Age 50+	01/01/1955	\$345,000	\$19,500	\$6,900	2.00%	\$26,400
Owner 2 - Under 50	01/01/1975	\$345,000	\$16,000	\$6,900	2.00%	\$22,900
Owner 3 - Under 50	01/01/1987	\$150,000	\$16,000	\$3,000	2.00%	\$19,000
Employee 1	01/01/2000	\$50,000	\$1,250	\$1,000	2.00%	\$2,250
Employee 2	01/01/1997	\$40,000	\$1,000	\$800	2.00%	\$1,800
Employee 3	01/01/1998	\$35,000	\$700	\$700	2.00%	\$1,400
<b>Totals</b>		\$965,000	\$54,450	\$19,300		\$73,750
<b>Total allocation to:</b>						
<b>Principals</b>			\$51,500	\$16,800		\$68,300
<b>Employees</b>			\$2,950	\$2,500		\$5,450
					In Dollars	% of Allocation
					PRINCIPALS' BENEFIT	\$68,300 96.47%
					COST to PRINCIPALS	\$2,500 3.53%

\*We excluded anyone with less than 2 years of service as of Jan 1 or earns less \$5,000.

\*\*Assumptions are that the owners and direct family members may maximize their contributions while the employee contributions are based on the attached matrix.

\*\*\*SIMPLE Non-Elective contribution is 2% of compensation for eligible employees.

# Start Up 401(k)

## 2024 Start-up 401(k) with Match Illustration for: SAMPLE

Employee Name*	DOB	Comp	Employee 401(k) Contributions**	Discretionary Match Contribution***	Percent of Compensation	Total Allocation
Owner 1 - Age 50+	01/01/1955	\$345,000	\$24,750	\$10,350	3.00%	\$35,100
Owner 2 - Under 50	01/01/1975	\$345,000	\$17,250	\$8,625	2.50%	\$25,875
Owner 3 - Under 50	01/01/1975	\$150,000	\$7,500	\$3,750	2.50%	\$11,250
Employee 1	01/01/2000	\$50,000	\$1,000	\$750	1.50%	\$1,750
Employee 2	01/01/1975	\$40,000	\$1,000	\$500	1.25%	\$1,500
Employee 3	01/01/1998	\$35,000	\$875	\$350	1.00%	\$1,225
<b>Totals</b>		\$965,000	\$52,375	\$24,325		\$76,700
<b>Total allocation to:</b>						
<b>Principals</b>			\$49,500	\$22,725		\$72,225
<b>Employees</b>			\$2,875	\$1,600		\$4,475
					In Dollars	% of Allocation
					PRINCIPALS' BENEFIT	\$72,225 67.05%
					COST to PRINCIPALS	\$1,600 2.17%

\*We excluded anyone under 21, with less than one year of service or never works more than 1,000 hours, and used semi-annual entry dates.

Eligibility requirements can differ than assumptions, but may change the contribution costs as shown.

\*\*Employee 401(k) contribution assumptions are based on attached matrix. The **NHCE ADP for new plans is deemed to be 3% in the first year of the plan (only)**, which would limit the HCEs to an average deferral percentage of 5%, plus the Age- 50 catch-up contribution if eligible, as shown.

\*\*\*Discretionary Match Contribution shown is 50% up to 6% of compensation. This contribution can be more or less than shown.

**NOTE: Plan is Top Heavy when Principals' benefit is 60%+ of total assets and requires 3% Top Heavy minimum contribution must be given to all non-key employees.**

# Safe Harbor Match

2024 Safe Harbor Match Illustration for: <b>SAMPLE</b>						
Employee Name*	DOB	Comp	Employee 401(k) Contributions**	Safe Harbor Match Contribution***	Percent of Compensation	Total Allocation
Owner 1 - Age 50+	01/01/1955	\$345,000	\$30,500	\$13,800	4.00%	\$44,300
Owner 2 - Under 50	01/01/1975	\$345,000	\$23,000	\$13,800	4.00%	\$36,800
Owner 3 - Under 50	01/01/1975	\$150,000	\$23,000	\$6,000	4.00%	\$29,000
Employee 1	01/01/2000	\$50,000	\$1,500	\$1,500	3.00%	\$3,000
Employee 2	01/01/1997	\$40,000	\$1,000	\$1,000	2.50%	\$2,000
Employee 3	01/01/1998	\$35,000	\$700	\$700	2.00%	\$1,400
<b>Totals</b>		\$965,000	\$79,700	\$36,800		\$116,500
<b>Total allocation to:</b>						
<b>Principals</b>			\$76,500	\$33,600		\$110,100
<b>Employees</b>			\$3,200	\$3,200		\$6,400
					In Dollars	% of Allocation
					PRINCIPALS' BENEFIT	\$110,100 97.18%
					COST to PRINCIPALS	\$3,200 2.82%

\*We excluded anyone under 21, with less than one year of service or never works more than 1,000 hours, and used semi-annual entry dates.

Eligibility requirements can differ than assumptions, but may change the contribution costs as shown.

\*\*Assumptions are that the owners and direct family members may maximize their 401(k) contributions while employee contributions are based on the attached matrix.

\*\*\*Safe Harbor Match Contribution is 100% up to 3% plus 50% on next 2% contributed.

# Non-Elective Safe Harbor

2024 Non-Elective Safe Harbor Illustration for: <b>SAMPLE</b>						
Employee Name*	DOB	Comp	Employee 401(k) Contributions**	Safe Harbor Contribution***	Percent of Compensation	Total Allocation
Owner 1 - Age 50+	01/01/1955	\$345,000	\$30,500	\$10,350	3.00%	\$40,850
Owner 2 - Under 50	01/01/1975	\$345,000	\$23,000	\$10,350	3.00%	\$33,350
Owner 3 - Under 50	01/01/1975	\$150,000	\$23,000	\$4,500	3.00%	\$27,500
Employee 1	01/01/2000	\$50,000	\$1,500	\$1,500	3.00%	\$3,000
Employee 2	01/01/1997	\$40,000	\$1,000	\$1,200	3.00%	\$2,200
Employee 3	01/01/1998	\$35,000	\$700	\$1,050	3.00%	\$1,750
<b>Totals</b>		\$965,000	\$79,700	\$28,950		\$108,650
<b>Total allocation to:</b>						
<b>Principals</b>			\$76,500	\$25,200		\$101,700
<b>Employees</b>			\$3,200	\$3,750		\$6,950
					In Dollars	% of Allocation
					PRINCIPALS' BENEFIT	\$101,700 96.44%
					COST to PRINCIPALS	\$3,750 3.56%

\*We excluded anyone under 21, with less than one year of service or never works more than 1,000 hours, and used semi-annual entry dates.

Eligibility requirements can differ than assumptions, but may change the contribution costs as shown.

\*\*Assumptions are that the owners and direct family members may maximize their 401(k) contributions while employee contributions are based on the attached matrix.

\*\*\*Safe Harbor Non-Elective Contribution is 3% of compensation.

# Non-Elective Safe Harbor

## New Comparability

2024 Non-Elective Safe Harbor New Comparability Illustration for: <b>SAMPLE</b>								
Employee Name*	DOB	Tiered Class**	Comp	Employee 401(k) Contributions***	Safe Harbor Contribution	New Comp Allocation	Percent of Comp	Total Allocation
Owner 1 - Age 50+	01/01/1955	A	\$345,000	\$30,500	\$10,350	\$35,650	13.33%	\$76,500
Owner 2 - Under 50	01/01/1975	A	\$345,000	\$23,000	\$10,350	\$35,650	13.33%	\$69,000
Owner 3 - Under 50	01/01/1975	A	\$150,000	\$23,000	\$4,500	\$15,500	13.33%	\$43,000
Employee 1	01/01/2000	B	\$50,000	\$1,500	\$1,500	\$725	4.45%	\$3,725
Employee 2	01/01/1997	B	\$40,000	\$1,000	\$1,200	\$580	4.45%	\$2,780
Employee 3	01/01/1998	B	\$35,000	\$700	\$1,050	\$508	4.45%	\$2,258
<b>Totals</b>			\$965,000	\$79,700	\$28,950	\$88,613		\$197,263
<b>Total allocation to:</b>								
Principals				\$76,500	\$25,200	\$86,801		\$188,501
Employees				\$3,200	\$3,750	\$1,813		\$8,763
							In Dollars	% of Allocation
PRINCIPALS' BENEFIT							\$188,501	97.13%
COST to PRINCIPALS							\$5,563	2.87%

\*We excluded anyone under 21, with less than one year of service or never works more than 1,000 hours, and used semi-annual entry dates.

Eligibility requirements can differ than assumptions, but may change the contribution costs as shown.

\*\*Tiered Class A = Owners; Tiered Class B = NHCEs

\*\*\*Assumptions are that the owners and direct family members may maximize their 401(k) contributions while the employee contributions are based on the attached matrix.

# Cash Balance/Profit Sharing 401(k)

SAMPLE										
2024 Cash Balance/Profit Sharing/401K Contribution Allocation Illustration										
Name	HCE	Age as of 12/31/2024	Compensation	Hypothetical CB Allocation	401(k) Deferral	Employer Safe Harbor	Profit Sharing	Total Employer Funding	Total Contribution	
Owner 1 - 30+	Y	61	\$ 345,000	\$ 310,000	\$ 30,500	\$ -	\$ 46,000	\$ 356,000	\$ 386,500	
Spouse - Under 30	Y	44	200,000	160,000	23,000	-	18,000	178,000	201,000	
Employee 1	N	56	73,000	700	3,750	2,250	17,436	20,386	24,136	
Employee 2	N	37	50,000	700	1,500	1,500	11,624	13,824	15,324	
Employee 3	N	65	40,000	700	1,000	1,200	9,299	11,199	12,199	
Employee 4	N	35	30,000	700	600	900	6,974	8,574	9,174	
<b>Total</b>			\$ 740,000	\$ 472,800	\$ 60,350	\$ 5,850	\$ 109,334	\$ 587,984	\$ 648,334	
<b>Total for Principals/Owners</b>			\$ 545,000	\$ 470,000	\$ 53,500	\$ -	\$ 64,000	\$ 534,000	\$ 587,500	
<b>Percentage for Principals/Owners</b>			73.65%	99.41%	88.65%	0.00%	58.54%	90.82%	90.62%	

This exhibit is for illustration purposes and is based on the census, age and compensation shown above. The proposed design is **highly** dependent on the accuracy of the employees included or not included, their ages and their compensation. Any inaccuracies should be identified before you approve the design and plan implementation. This exhibit shows hypothetical accrued benefits, but actual plan funding may differ. Actual plan funding may vary due to changes in the census, investment returns, required actuarial assumptions or laws and regulations. Please wait for a final calculation signed by Nova's actuary before funding any employer contributions. Funding ranges in later years are highly dependent on funding policy adopted (funding at minimum or funding at maximum) as well as actual investment returns earned each year. Defined benefit plan annual contributions must fall between a minimum and maximum funding range, which are illustrated on the following page. **The minimum funding amount each year is not discretionary.**

### Key Assumptions

- Compensation should be either W2 income or self-employment income net of the pension contribution (and all other expenses). Passive income cannot be the basis of retirement plan contributions. Higher pay is usually needed to optimize tax deduction results.
- ER Safe Harbor refers to a Safe Harbor Non-elective Contribution needed to qualify for ADP/ACP testing exemption. Actual amounts for HCE's may vary depending on plan document language.
- There is assumed to be no lineal or spousal relationships to the owner(s) unless indicated in design groups. Results could change if another highly compensated employee is added.
- 401(k) deferrals are estimates based on anticipated compensation. Actual amounts will likely differ.
- This company is not a part of an affiliated service group or controlled group other than reflected above.
- There is assumed to be no existing 401(k) plan or PEO plan other than reflected above.
- This company and related employers have not previously sponsored a defined benefit/ cash balance plan.
- There are no employees other than as shown.
- Sometimes the maximum deductible will be less than the sum of the cash balance allocations in the first year. The difference can be deducted in year 2.

### Design Notes

- The profit sharing shown for the eligible employee(s) is the estimated minimum amount required to support the benefits for the Principal(s). The actual required profit sharing will vary each year depending on the eligible employee demographics, compensation, and other factors.



# Cash Balance/Profit Sharing cont.

SAMPLE

2024 Cash Balance/Profit Sharing/401K Contribution Allocation Illustration

Plan Funding Summary

DB/CB Plan Funding Estimate	
Plan Year Minimum Contribution Due as of April 15, 2025	406,000
Plan Year Maximum Deductible Contribution	479,000
Assumed 1st Year Funding	472,800

401k/Profit Sharing Plan	
401(k) Deferral	60,350
Employer Safe Harbor	3,830
Profit Sharing	109,334
<b>Total DC</b>	<b>173,534</b>

Plan Highlights				
Group	Targets	Non-Owner HCEs	All other EEs	Not yet eligible
Cash Balance % or \$	Allocation shown above	Please indicate if non-owner HCEs should be excluded	\$700	N/A
Safe Harbor %	3.00% SHNE excluding HCEs (2nd plan year if not timely adopted for set up of deferrals)			N/A
Profit Sharing % or \$ (before TH Min for staff)	Allocation shown above	See table above	23.25%	N/A
Interest Crediting Rate/ Post-Retirement Rate	4.0%/5.5%			
PBGC Coverage*	Yes			
Normal Retirement Age	65 & 5			
Eligibility	21 years of age; 1 year of service w/semi-annual entry dates			
CB plan exclusions	Union employees, non-resident alien workers without US source income, leased employees			
Compensation	Entire year gross compensation			

\*PBGC covered Plans must submit an annual filing and pay annual premiums to the PBGC.