



Cash Balance Outlook 2017

Key Trends & Market Insights



Dan Kravitz, President

Martha Ophir, Marketing Manager

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Goals

1. **Give you** a clear understanding of the Cash Balance market, present, and future
2. **Show you** how to take advantage of Cash Balance growth
3. **Empower you** with tools and strategies to grow your business



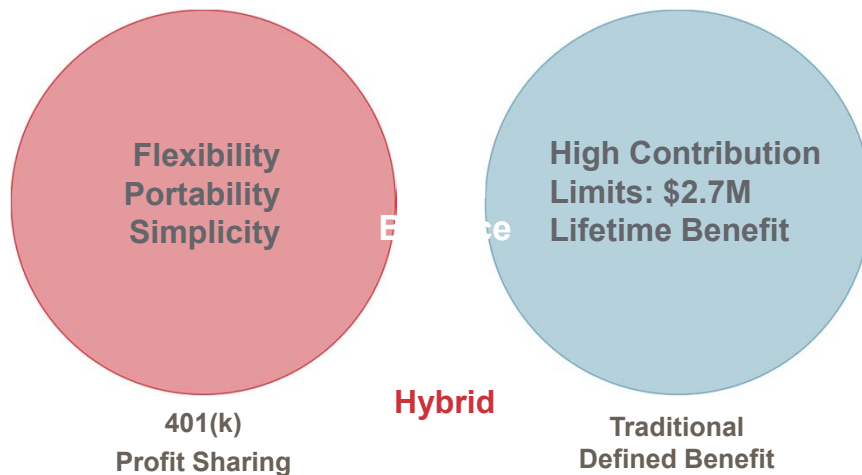
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Agenda

- 1 2017 Research Report Highlights
- 2 What's Driving the Steep Growth Curve?
- 3 How to Take Advantage of CB Growth
- 4 Market Trends & Predictions
- 5 How We Can Help You Succeed: Next Steps

“Best of Both Worlds”



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2017 Research Report Highlights

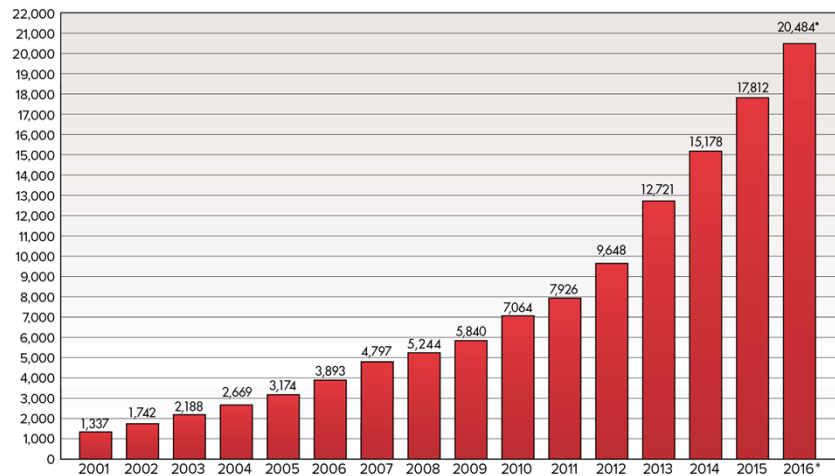
10th Annual Kravitz National Cash Balance Research Report

Data analysis using:

- IRS Form 5500 filings, 2001-2015
- Department of Labor - EBSA data and reports
- Plan Sponsor Council of America (PSCA) Annual Survey data and reports



Continuing Trend: Double-Digit Growth



* Projection based on current growth rates and industry data.

Growth Comparison vs 401(k) Plans

Cash Balance:



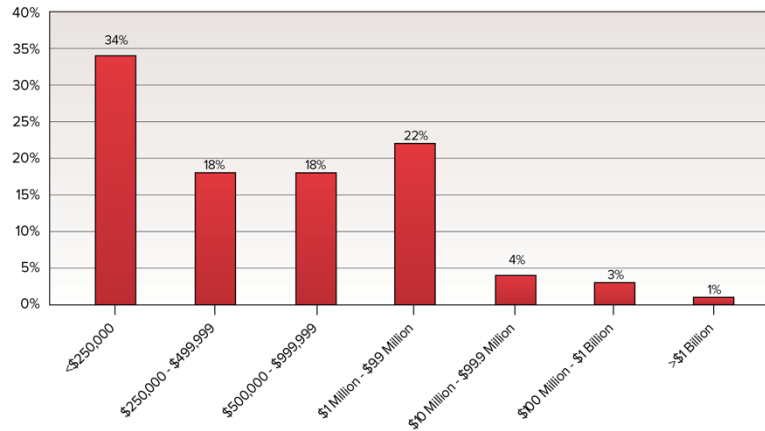
17%

401(k):



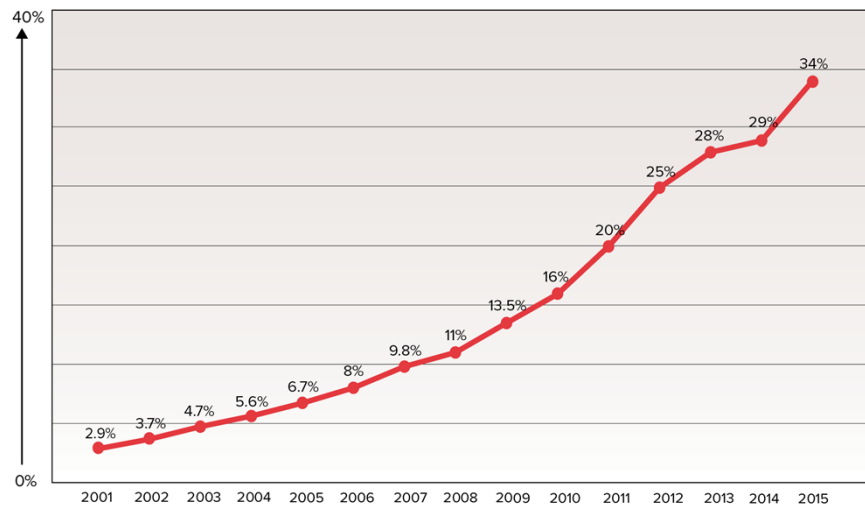
3%

Cash Balance Assets Surpass \$1.1T

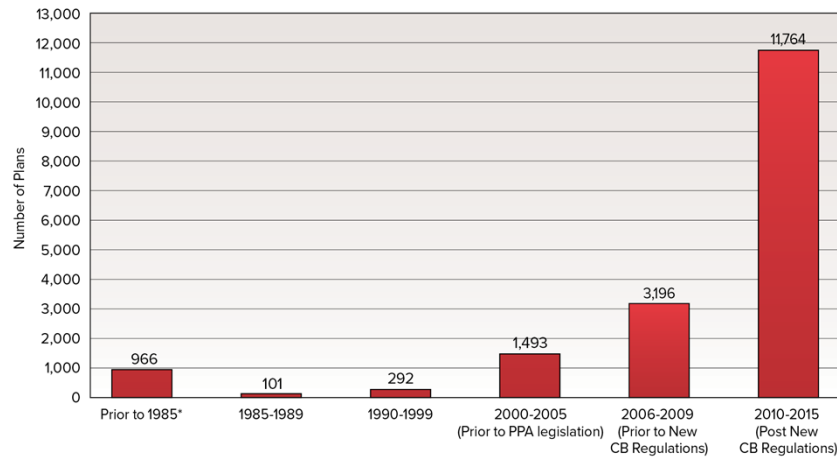


Total assets in all Cash Balance plans nationwide: **\$1.1T** in 17,812 plans
Annual contributions for 2015: **\$29.3 Billion**

CB Makes Up 34% of all DB Plans



Living History: CB Plans by Year Established



* Plans with an effective date prior to 1985 are traditional defined benefit plans that were later converted to Cash Balance. The first IRS-approved Cash Balance plan was established in 1985 by Bank of America.

Comparison: Company Contribution to Employee Retirement Accounts

Plan Type	2008	2009	2010	2011	2012	2013	2014	2015
401(k) only*	3%	2.2%	2.2%	2.4%	2.6%	2.8%	3.1%	3.7%
401(k) combined with a Cash Balance plan**	6.2%	5.8%	6%	6.2%	6.3%	6.3%	6.5%	6.6%

Company contributions as a percentage of eligible participants' total annual payroll.

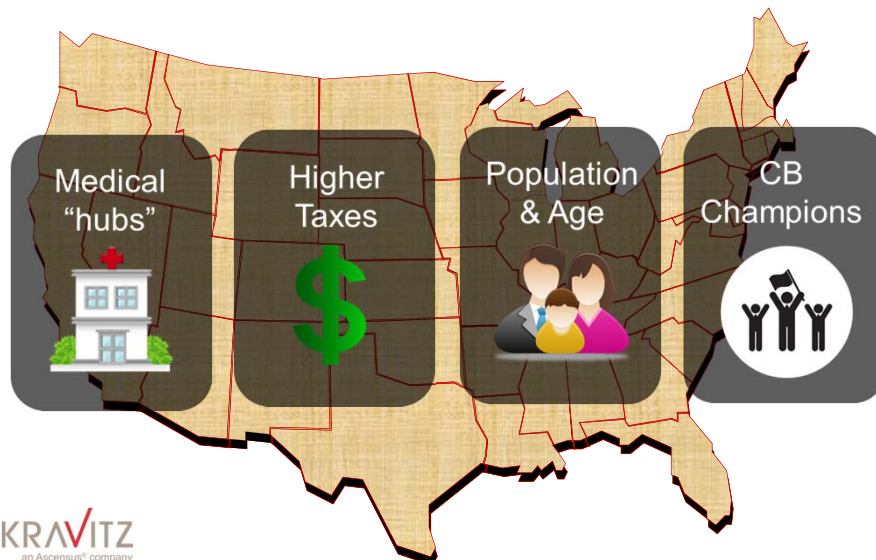
*Source: data on company contributions to 401(k) plans from Plan Sponsor Council of America (PSCA) 59th Annual Survey data and reports; CB-401(k) combo plans is based on existing Kravitz client plans.

Cash Balance: Regional Concentration

Rank	State	Number of Plans	Percent of Nation's Total	Percent Annual Increase*
1.	CA	2,384	13%	21%
2.	NY	1,788	10%	14%
3.	IL	1,137	6%	13%
4.	OH	1,129	6%	12%
5.	TX	1,102	6%	18%
6.	FL	1,064	6%	27%
7.	NJ	942	5%	13%
8.	PA	706	4%	11%
9.	MI	649	4%	17%
10.	MD	436	2%	27%
National Total		17,812		

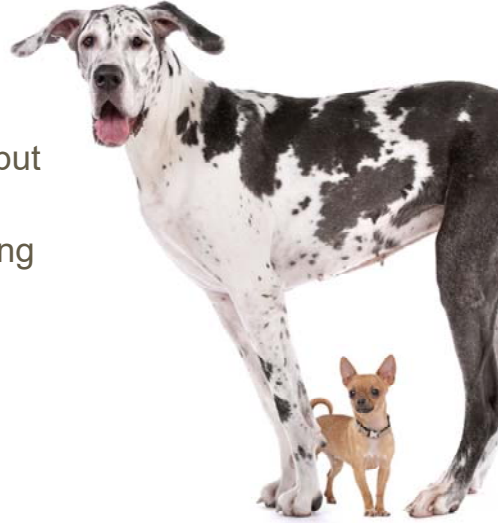
*Increase in total number of plans between 2014–2015, the most recent year for which complete IRS Form 5500 data is available.

Why Is CB More Popular in Certain States?



Size Matters: Both Sides of the Story

Cash Balance growth:
driven by **small business** but
also popular choice for
select larger firms, including
Fortune 500 companies.



92% Have <100 Participants

Participants	Number of Plans	Percent of Nation's Total
Over 10,000	257	1.4%
1,000 to 10,000	581	3.3%
100 to 999	643	3.6%
25 to 99	1,909	10.7%
10 to 24	4,314	24.2%
1 to 9	10,108	56.7%
National Total	17,812	

Total participants in Cash Balance plans nationwide: 12.8 million

Why So Appealing to Small Business?

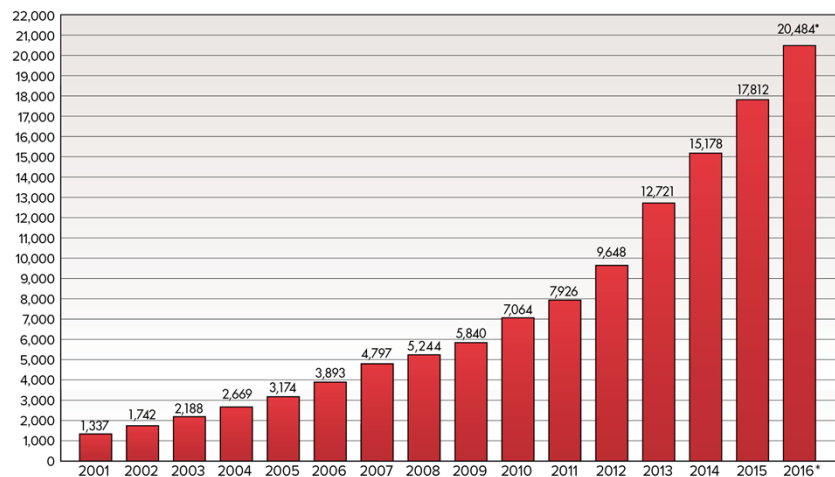
1. **Cost efficiency and tax efficiency:** ratio of owner/employee contributions works very well for small to mid-size firms
2. Age-weighted contribution limits: **ideal for older owners** who have sunk most assets into the business and are behind on retirement
3. **Asset protection** (for lawsuit or bankruptcy)
4. Attracting and **retaining key employees**
(Cash Balance combo plans have greater appeal than DC only)
5. **Succession planning** for family businesses

Large Plans: Top 10 by Asset Size

Top 10 Plans Overall		Top 10 Medical/Hospital Plans		Top 10 Law Firm Plans	
1. IBM	\$52.6B	1. Sutter Health	\$3.5B	1. Sidley Austin	\$760.7M
2. AT&T	\$50.7B	2. Massachusetts General Hospital	\$3.2B	2. Skadden, Arps, Slate, Meagher & Flom	\$332.9M
3. Boeing	\$28.7B	3. Intermountain Healthcare	\$2.9B	3. Morgan, Lewis & Bockius	\$310.7M
4. FedEx	\$23.9B	4. North Shore University Hospital	\$2.7B	4. Akin, Gump, Strauss, Hauer & Feld	\$288.4M
5. Bank Of America	\$19.5B	5. University Of Pittsburgh Medical Center	\$1.8B	5. Gibson, Dunn & Crutcher	\$209.2M
6. United Technologies	\$18.1B	6. Barnabas Health	\$1.6B	6. Jones Day	\$184.7M
7. Alcatel-Lucent	\$17.7B	7. Brigham and Womens Hospital	\$1.3B	7. Kirkland & Ellis	\$160.4M
8. Honeywell International	\$16.6B	8. The Cleveland Clinic Foundation	\$1.2B	8. DLA Piper	\$151.4M
9. Northrop Grumman	\$15.7B	9. Board of Trustees for Hospital Employees	\$1.1B	9. Reed Smith	\$146.7M
10. 3M	\$15.2B	10. The New York-Presbyterian Hospital	\$966M	10. Arnold & Porter	\$136.7M

2 What's Driving the Steep Growth Curve?

More than a decade of double-digit annual growth:



* Projection based on current growth rates and industry data.

Key Growth Driver: Tax Environment

2012 Rates		2017 Rates	
Investment tax*	= 0%	Investment tax*	= 3.8%
Highest income tax	= 35%	Highest income tax	= 39.6%
Medicare tax**	= 2.9%	Surtax of .90%	= 3.8%
Capital gains/Dividend tax	= 15%	Capital gains/Dividend tax	= 23.8%

* Investment Income tax on all unearned income (interest, dividends, gains, rents & royalties, etc.)

** Medicare tax for individuals is 1.45%. Most company structures require an Employer matching amount of 1.45%. Most of these taxes applied on high wage earners earning >\$250k, AGI, filing jointly.

Understanding Tax Deductions

Above The Line Deductions: “The Gold Standard”

Most desirable type of deduction - Reduces AGI

- ✓ Qualified Retirement Plan Contributions

Below the Line Deductions

Many limitations - Subject to phase outs.*

- ✓ Charitable Contributions
- ✓ State Tax
- ✓ Property Taxes
- ✓ Mortgage Interest

*Subject to phase outs based on income >\$250,000 (single) or >\$300,000 (married filing jointly)



Summary of CB Tax Advantages

Advisor Handout

Tax Advantages of Cash Balance Retirement Plans
REDUCING THE PAIN OF RECENT TAX HIKES

Tax deductions are increasingly hard to come by, especially "above the line" deductions that directly reduce ordinary income dollar for dollar. With many federal, state and local tax increases in place for 2013, Cash Balance Plans make a bigger impact on savings than ever before.

Four Key 2013 Tax Changes: How Does a Cash Balance Plan Help?

Cash Balance contributions reduce both taxable income and adjusted gross income (AGI), so high income earners may even lose some tax breaks. All of the following rates may be reduced or eliminated by contributing to a Cash Balance Plan.

- 1. Investment Tax**
An additional 3.8% tax on unearned net income is now imposed on individuals making more than \$200,000 (or \$250,000 for married couples). The new surtax is in addition to the capital gains and dividend tax income from 15% to 20%.
- 2. Top Marginal Income**
The top marginal tax rate has increased to 39.6% for individuals earning more than \$480,000 (or \$450,000 for married couples).
- 3. Medicare Tax**
There is an additional 0.9% Medicare payroll tax on income above \$200,000 for individuals (or \$250,000 for married couples).
- 4. Phase-Out of Tax Deductions**
The ability to deduct certain tax deductions has been phased out for individuals making more than \$250,000 (or \$300,000 for married couples).

Federal Tax Increases
As of January 1, 2013

Tax Type	2012 Rate	2013 Rate
Investment tax	0%	3.8%
Top marginal income tax	35%	39.6%
Medicare tax	2.3%	3.8%
Capital gains tax	15%	23.8%
Dividend tax	15%	23.8%

Examples of Tax Savings:

Business Owner
Age 55, married filing jointly, no children
• \$400,000 adjusted gross income (\$350,000 wages, \$50,000 investment income)
• No Cash Balance contribution will pay \$105,000 in federal taxes.
• \$150,000 Cash Balance contribution will pay \$55,000 in federal taxes.
Federal Tax Savings: \$50,000

Medical Group Partner
Age 55, married filing jointly, no children
• \$600,000 adjusted gross income (\$550,000 wages, \$50,000 investment income)
• No Cash Balance contribution will pay \$180,500 in federal taxes.
• \$250,000 Cash Balance contribution will pay \$105,400 in federal taxes.
Federal Tax Savings: \$75,100

KRAVITZ learn more about how a Cash Balance Plan can help reduce taxes and accelerate retirement. | **Call (877) CB-Plans**
www.CashBalancePlans.com

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Client Handout

How to Reduce the Pain of Recent Tax Hikes
ADVANTAGES OF CASH BALANCE RETIREMENT PLANS

Tax deductions are hard to come by, especially those that directly reduce ordinary income dollar for dollar. With many federal, state and local tax increases in place, Cash Balance Plans now have a greater impact than ever, reducing your tax burden and accelerating retirement savings.

New Tax Increase Thresholds
(married, filing jointly)

Threshold	2012 Rate	2013 Rate
Adjusted gross income (AGI)	\$250,000	\$250,000
Phase-out of itemized deductions	2.0%	2.0%
Medicare tax on investment income	0.0%	3.8%
Medicare surtax (additional payroll tax)	0.0%	0.9%

Cash Balance contributions reduce both taxable income AND adjusted gross income (AGI), helping you avoid the new tax thresholds and minimize the impact of new tax hikes.

"Because pension contributions reduce AGI, they are considered 'above the line' deductions, which is an advantage, as the best kind of deduction there is." - Dan Delaney, CPA

Examples of Tax Savings:

Business Owner, 55, married
AGI: \$400,000, including investment income of \$50,000
No Cash Balance Plan: Subject to phase-out and additional Medicare taxes
Cash Balance Plan: A contribution of \$150,000 reduces AGI to \$250,000 and AGI income tax (investment tax) savings: \$52,000

Medical Group Partner, 60, married
AGI: \$600,000, including investment income of \$50,000
No Cash Balance Plan: Subject to phase-out and additional Medicare taxes
Cash Balance Plan: A contribution of \$250,000 reduces AGI to \$350,000 and AGI income tax (investment tax) savings: \$77,100

KRAVITZ learn more about how a Cash Balance Plan can help reduce taxes and accelerate retirement. | **Call (877) CB-Plans**
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Retirement Savings Crisis

THE WALL STREET JOURNAL. | YOUR MONEY

RETIREMENT PLANNING

Retiring Boomers Find 401(k) Plans Fall Short

By E. S. BROWNING

The 401(k) generation is beginning to retire, and it isn't a pretty sight.

The retirement savings plans that many baby boomers thought would see them through old age are falling short in many cases.



The median household headed by a person aged 60 to 62 with a 401(k) account has less than one-quarter of what is needed in that account to maintain its standard of living in retirement, according to data compiled by the Federal Reserve and analyzed by the Center for Retirement Research at

Boston College for The Wall Street Journal. Even counting Social Security and any

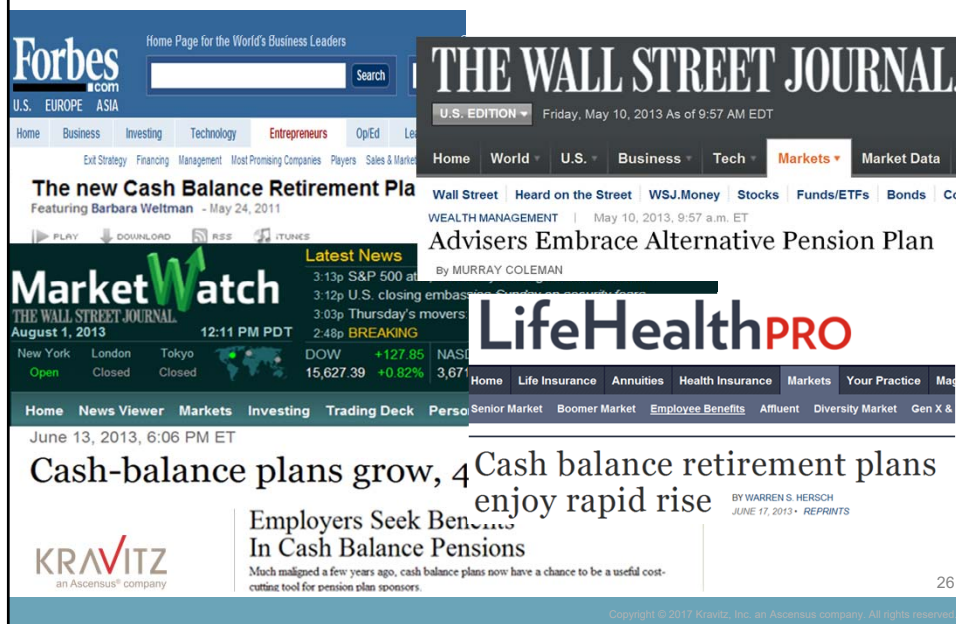
Fastest Way to “Catch Up” on Savings

2017 Contribution Limits				
401(k) Profit Sharing & Cash Balance Plans				
Age	401(k) with Profit Sharing	Cash Balance	TOTAL	Tax savings*
60 - 65	\$60,000	\$256,000	\$316,000	\$142,200
55 - 59	\$60,000	\$206,000	\$266,000	\$119,700
50 - 54	\$60,000	\$157,000	\$217,000	\$97,650
45 - 49	\$54,000	\$120,000	\$174,000	\$78,300
40 - 44	\$54,000	\$92,000	\$146,000	\$65,700
35 - 39	\$54,000	\$70,000	\$124,000	\$55,800
30 - 34	\$54,000	\$54,000	\$108,000	\$48,600

*Assuming 45% tax bracket, taxes are deferred

Cash Balance lifetime limit: \$2,700,000

Surge in Media Coverage of CB Plans



The collage shows three news articles related to Cash Balance Plans:

- Forbes.com**: "The new Cash Balance Retirement Plan" featuring Barbara Weltman, dated May 24, 2011.
- THE WALL STREET JOURNAL**: "Advisers Embrace Alternative Pension Plan" by Murray Coleman, dated Friday, May 10, 2013.
- LifeHealthPRO**: "Cash balance retirement plans enjoy rapid rise" by Warren S. Hersch, dated June 17, 2013.
- MarketWatch**: "Cash-balance plans grow, 4" (partially visible).
- KRAVITZ**: "Employers Seek Benefits In Cash Balance Pensions" with a sub-headline "Much maligned a few years ago, cash balance plans now have a chance to be a useful cost-cutting tool for pension plan sponsors."

- Tax climate
- Retirement savings crisis
- Legislative and regulatory changes (2006, 2010, 2014)
- Media coverage
- Growing public awareness

A Winning Hand



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How to Take Advantage of CB Growth

You get the growth trends, you have the basic knowledge...

So now what?



5 Tips to Get Started

Tip #1: Focus on the Right Targets

NOT a mass market product like a 401(k):
Cash Balance is a “niche” product



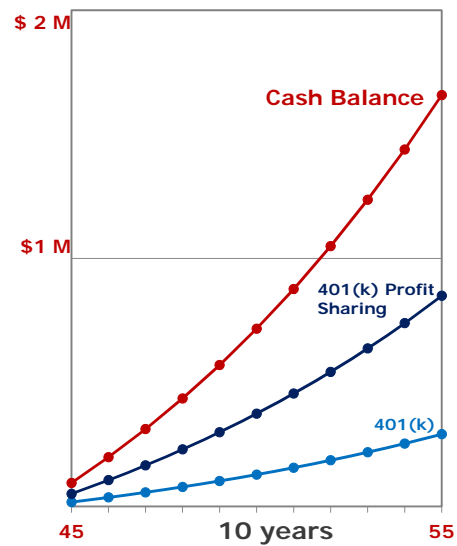
Who is Ideal?



Business owners with
income >\$250,000 and
consistent profit patterns

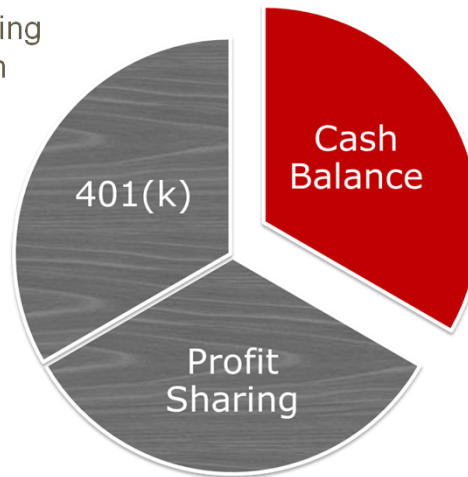
Who is Ideal?

Wealthy boomers who
need to squeeze 20 years
of retirement savings
into 10 years



Who is Ideal?

Businesses with an existing
New Comparability plan



Who is Ideal?

Professional services firms, including medical groups, CPAs, law firms and financial services

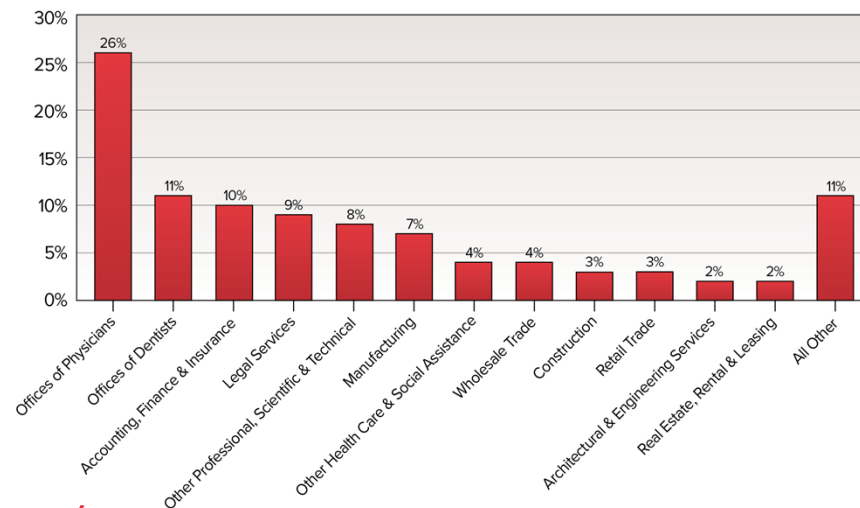


Who is Ideal?



Successful family businesses and closely held businesses

Growth Across Diverse Business Sectors:



Ever-Increasing Variety of Businesses!

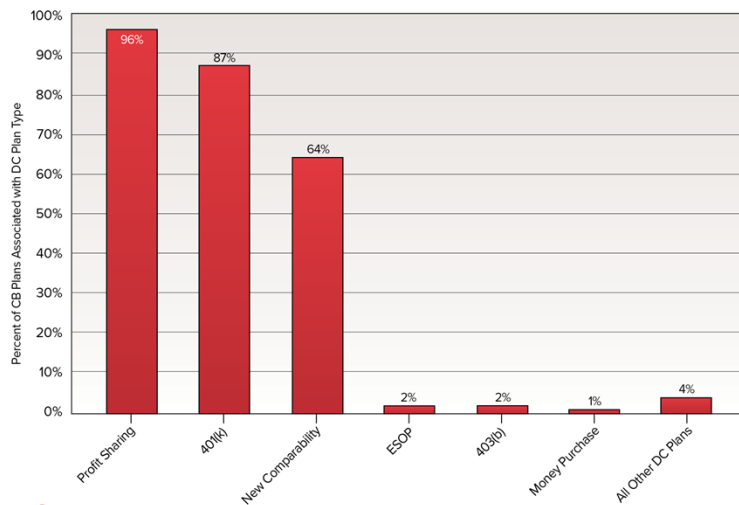


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Tip #2: Understand Plan Combinations



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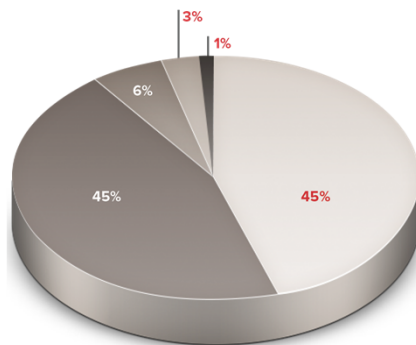
Tip #3: Reach Out to CPAs

- ✓ Some CPAs **unfamiliar** with newer Cash Balance plan designs & flexibility
- ✓ Very **protective** of clients, your job is to build trust



Tip #4: Learn About Cash Balance Investing

Opportunity for advisors to help companies with problematic strategies



Type of Investments	Percentage*
Equities or Equity Funds	45%
Bonds or Bond Funds	45%
Cash or Equivalents	6%
Balanced Funds	3%
Alternative Investments	1%

Cash Balance Investment Videos

Cash Balance Investments Part 1
Get to know the basics of investing Cash Balance plan assets

Cash Balance Investments Part 2
Choosing the right Interest Crediting Rate (ICR) and investment strategy

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Tip #5: Partner with a Cash Balance Specialist



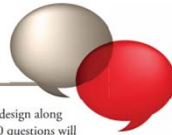
- ✓ Cash Balance Plans are highly technical and sophisticated
- ✓ Lack of experience can lead to failed IRS testing, lower benefits, missed opportunities
- ✓ Complex sale, long sales cycle – need a skilled partner

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10 Questions to Ask Your Actuary



The success of a Cash Balance Plan depends on creative plan design along with effective, accurate and timely plan administration. These 10 questions will help you do your due diligence before partnering with a pension actuary:

1. How long have you been doing Cash Balance Plans?

Working with an actuary who is new to the complexities of Cash Balance is like choosing an eye surgeon who just finished training on Lasik. Many actuaries have only worked on traditional defined benefit plans and do not fully understand the nuances of Cash Balance.

2. How many Cash Balance Plans do you currently administer?

If the company doesn't handle many plans, they may not have the experience to design and manage your client's plan successfully.

3. What is the size of the typical plan you handle?

A small firm's Cash Balance Plan is far simpler to manage than one with multiple partners or shareholders.

4. What are your service standards for plan illustrations and actuarial reports?

Cash Balance Plan sales and client retention can be seriously hampered by an actuary's inability to meet deadlines and quickly deliver proposals and client reports.

5. How many actuaries do you have on staff?

Many TPA firms outsource Cash Balance Plans since they don't have an in-house actuarial team. For accountability and direct access to expertise, it's preferable to work with a specialized firm whose staff actuaries are highly experienced with Cash Balance Plans.

6. What do your fees cover?

Ask for a detailed breakdown, and be wary of hidden fees. Ask if the installation includes the plan document. Be wary of very low fees and underbidding. Cheap retirement plans become shockingly expensive when they run into compliance and funding problems and need to be terminated or taken over by a more experienced actuary.

7. Do you offer online participant access with on-demand statements?

Most actuarial firms can only provide annual paper statements which are typically available many months after the end of the year.

8. Do you administer plans using an "Actual Rate of Return" interest crediting rate? Do you allow multiple investment options within a plan?

Most actuarial firms cannot service plans using an actual rate of return ICR. Of the firms that do, few have the actuarial expertise to offer multiple investment options within the plan.

9. What industries do you serve?

Plan design issues and challenges vary greatly by industry, so look for a firm with Cash Balance experience specific to your field. For example, law firm plans usually have multiple tiers of participation and require knowledge of managing partnership risk.

10. Who can I call as a reference for your work on Cash Balance Plans?

A good actuary will happily provide client references you can call, specifically Cash Balance clients in your industry.

10 Questions to Ask Your Actuary



Here's How Kravitz Answers!

1. How long have you been doing Cash Balance Plans?

Kravitz implemented one of the first IRS-approved Cash Balance Plans in 1989, and we've worked on more than 2,000 plans in the ensuing 25 years.

2. How many Cash Balance Plans do you currently administer?

We currently administer over 500 Cash Balance Plans for clients throughout the U.S., across all industry sectors.

3. What is the size of the typical plan you handle?

Kravitz manages Cash Balance Plans for one to 1,500+ participants. Our typical plan is in the 25-100 participant range.

4. What are your service standards for plan illustrations and actuarial reports?

We guarantee 72-hour turnaround on our customized plan design illustrations. Actuarial reports are provided no later than six weeks after finalizing participant statements. Kravitz clients receive a detailed list of Cash Balance Service Standards, and we consistently win praise for our timeliness and quality standards.

5. How many actuaries do you have on staff?

Kravitz has nine dedicated staff actuaries, averaging 20+ years of Cash Balance experience each.

6. What do your fees cover?

Our annual administration fee includes all non-elective administrative requirements with the exception of PBGC filing. Clients have a detailed service agreement explaining all costs, and there are no surprises.

7. Do you offer online participant access with on-demand statements?

Yes, all our clients enjoy seamless online access to their accounts from any computer or mobile device, with statements available on-demand. Kravitz is also the only firm providing daily recordkeeping for Cash Balance accounts.

8. Do you administer plans using an "Actual Rate of Return" interest crediting rate? Do you allow multiple investment options within a plan?

Yes, more than 30% of our large plans use Actual Rate of Return and we have received numerous IRS approval letters. Kravitz was the first TPA in the country to offer clients multiple investment options within a single Cash Balance plan.

9. What industries do you serve?

We have more than 250 medical group and law firm clients, along with many other clients across diverse industry sectors – from manufacturing and technology to retail and real estate.

10. Who can I call as a reference for your work on Cash Balance Plans?

We are happy to provide references – just ask. The average score on our annual Client Satisfaction Survey is 9.4 out of 10, with 92% of clients saying they would recommend Kravitz to a friend or colleague.

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Market Trends and Predictions

Key Trends

Key trends impacting today's Cash Balance plan market:



- ✓ **Growing awareness of the new ICR options** - larger plan sponsors are switching to **Actual Rate of Return**
- ✓ **Strategic plan termination** takes on a new role, creating opportunities for plan sponsors and advisers

How Actual Rate of Return Works

ICR = Actual rate of return on plan assets

Requirement: assets must be “diversified so as to minimize the volatility of returns.”

Acceptable: a mix of bonds and equities

Unacceptable: assets exclusively in a sector fund



Understanding Actual Rate of Return

Advantage

Minimizes most of the underfunding and overfunding issues

Disadvantages

Impact of volatile returns needs to be managed

Preservation of Capital Rule



Helpful Guide: Understanding ICRs

KRAVITZ CASH BALANCE RETIREMENT PLANS BY KRAVITZ

More Options
More Choice
More Freedom



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CASH BALANCE PLANS: Better than ever.

Cash Balance plans are the fastest-growing sector of the retirement plan market for a very good reason. Think of it as a multi-charged utility with flexible or rigid (or tax-advantaged savings power). Now Kravitz has made Cash Balance plans an even better solution by introducing an innovative new option: flexible investment choice within a single company plan.

A custom-designed, tax-efficient retirement plan will strengthen your long-term financial security and will play a key role in your firm's ability to attract and retain top talent. Adding a Cash Balance plan is an important step. Enhancing your plan with investment choice takes you a step beyond the competition. This brochure is designed to help you understand the diverse options available and how they can help you and your firm achieve your retirement goals while optimizing tax savings every year. At Kravitz, we are committed to your firm's success, bringing clarity and confidence to all aspects of the retirement plan management process.

What Is an ICR?

Every Cash Balance Plan has an Interest-Crediting Rate (ICR) written into the plan document. Participant accounts grow annually in two ways: with an employer contribution and an interest credit.

The ICR can be one of the safe harbor options listed at right, or it can be the "Actual Rate of Return" on the plan assets.

Selecting Your ICR

- 1 Review options with your retirement consultant.
- 2 Weigh pros and cons based on your plan's goals and objectives.
- 3 ICR choice is written into plan document.
- 4 Work with retirement consultant and plan sponsor to choose investment strategy.

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Helpful Guide: Understanding ICRs

New Era, New Options

Thanks to IRS regulations introduced in 2010, plan sponsors can set the ICR to equal the "Actual Rate of Return" or yield on plan assets. Rather than setting each year to ensure that investments achieve a targeted interest rate, the actual return itself is the ICR. This option can substantially reduce investment risk and allow for more predictable annual contributions.

Prior to the 2010 regulations, plan sponsors using safe harbor rates faced challenges if the investment returns either fell short or exceeded the targeted ICR. Additional contributions were required in the case of underfunding, and if returns were too high, contributions tended to be lower due to the surplus of assets. In this case, the tax deferral could be lower and contributions were less consistent.

Safe Harbor Options

For many small to mid-size Cash Balance plans, safe harbor rates continue to be an excellent choice. They are easy to communicate to participants and ensure steady growth of retirement savings. Plan assets are invested with the goal of annually achieving the ICR, net of expenses.

Current options include:

- 30-year Treasury rates: accounts annually receive a credit equal to the yield on the 30-year U.S. Treasury bond, which averages 3% to 4%.
- Fixed rates: the IRS allows plan sponsors to choose a fixed rate up to 6% as the ICR.
- Combined rates: an annual floor of up to 1% with any safe harbor rate. For example, a plan sponsor could choose an ICR equal to the greater of the 30-year Treasury rate or 5%.

Actual Rate of Return Option

The ICR is defined in the plan document as the actual rate of return on plan assets. Certain guidelines and restrictions apply, for example:

- The investments must be diversified so as to minimize the volatility of returns, and employer stock must be 10% or less.
- The "preservation of capital rule" applies, so participant permits can never be less than the sum of employer contributions.



A KRAVITZ OFFERING: Multiple Investment Options Within a Single Plan

New regulations introduced in 2014 created an exciting new investment approach for plan sponsors. You can now offer multiple investment options within a single plan, tailored to suit different retirement goals and needs.

Case Study: One of our large law firm clients has a customized

Cash Balance plan with three investment strategies:



Ultra Conservative: Includes participants closest to retirement age or already retired, a portfolio with 10% equities and 80% fixed income.



Conservative: A portfolio of 20% equities and 75% fixed income, covering mid-career participants and those with lower risk tolerance.



Moderate: Designed for participants furthest from retirement age, with 35% equities and 60% fixed income, seeks a 5 to 6% annual return.

Key Advantages of an Investment Choice Cash Balance Plan:

- Meets diverse participant needs and goals
- Incorporates a range of investment strategies within a single plan
- Enhances flexibility for growing firms with many partners/shareholders
- Improves ability to attract and retain top talent

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Key Trend: Strategic Plan Terminations



- ✓ **Definition:** when a plan sponsor terminates an existing Cash Balance plan for strategic business reasons, with the express purpose of launching a new Cash Balance plan.
- ✓ **Suitability:** mainly for larger and more mature Cash Balance plans, after expert consultation

Key Trend: Strategic Plan Terminations

Why are Strategic Plan Terminations becoming an increasingly popular business decision?

1. Eliminates liability issues
2. Option to change the plan's ICR without the hassle of 'wearaway'
3. Access to assets



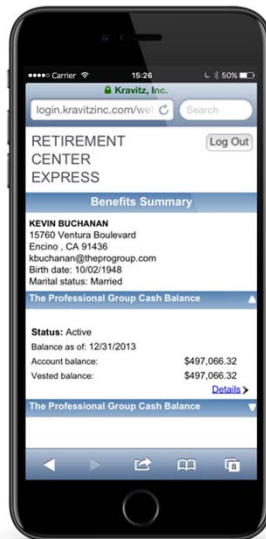
Caution: must be done carefully and prudently, with expert actuarial advice, must remain in full compliance with IRS/DOL rules.

Cash Balance 2017 Predictions



1. Prediction: 15%+ Cash Balance growth driven by tax climate, economy, increasing awareness
2. Actual Rate of Return (ARR) replaces fixed rates as most popular option in the large plan market
3. More large firms opt for 'investment choice' Cash Balance plans
4. Increasing competition drives rising innovation in CB products & services

Daily Valuation & Participant Technology



- ✓ Taking Cash Balance out of the "black box"
- ✓ Participant-friendly technology
- ✓ 24/7 mobile access

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How We Can Help You Succeed: Next Steps**Connect with the Kravitz Cash Balance Team:**

Partnerships and support for advisers, TPAs and CPAs:
free custom plan designs, conference call support, training,
education and more:

877 CB-Plans
CashBalanceDesign.com



@KravitzInc



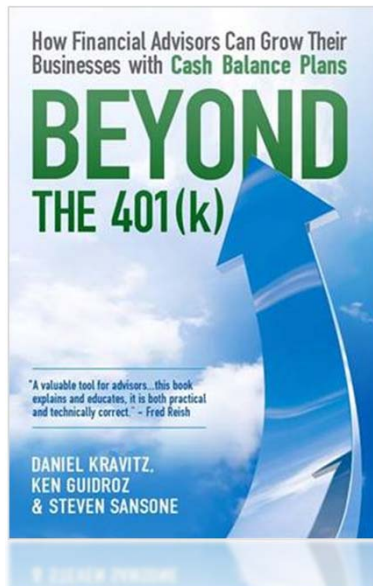
Cash Balance Consultants

Free Custom Cash Balance Plan Designs

Name	Age	Annual Salary	401(k)	Profit Sharing	Cash Balance	Total Contribution
Group 1: Owners						
Owner 1	60	\$ 270,000	\$ 24,000	\$ 36,000	\$0 to \$ 50,000	\$ 110,000
Owner 2	50	\$ 270,000	\$ 24,000	\$ 36,000	\$0 to \$ 50,000	\$ 110,000
Owner 3	40	\$ 270,000	\$ 18,000	\$ 36,000	\$0 to \$ 50,000	\$ 104,000
Owner 4	35	\$ 270,000	\$ 18,000	\$ 36,000	\$0 to \$ 50,000	\$ 104,000
Group 2: Staff > \$120,000						
				3% of pay		
Employee 1	50	\$ 165,000		\$ 4,950	\$ 0	\$ 4,950
Employee 2	45	\$ 125,000		\$ 3,750	\$ 0	\$ 3,750
Group 3: Staff						
				5% of pay		
Employee 3	65	\$ 80,000		\$ 4,000	\$ 1,000	\$ 5,000
↓				↓	↓	
Employee 20	21	\$ 20,000		\$ 1,000	\$ 1,000	\$ 2,000
Subtotals		\$ 1,140,000	\$ 0	\$ 42,500	\$ 18,000	\$ 60,500
Grand Totals		\$ 2,220,000	\$ 84,000	\$ 186,500	\$ 218,000	\$ 488,500
Percent of Contribution to Owners:						87.6%

KravitzBackOffice.com

Beyond the 401(k)



Available in all formats at
Amazon.com

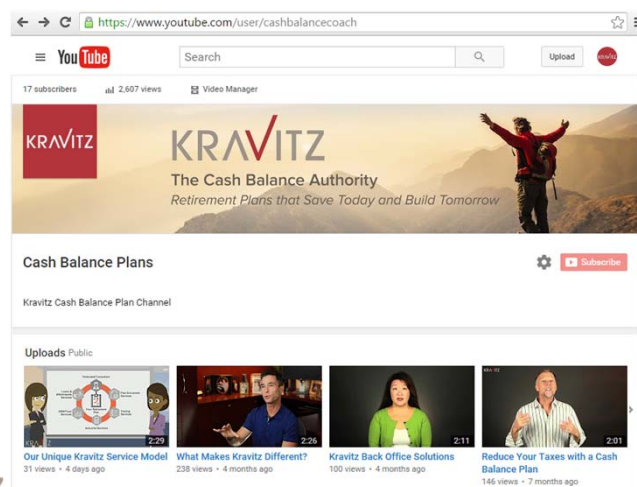
Free chapter at
CashBalanceBook.com

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Cash Balance YouTube Channel

www.youtube.com/user/CashBalanceCoach



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Kravitz Joins the Ascensus Family



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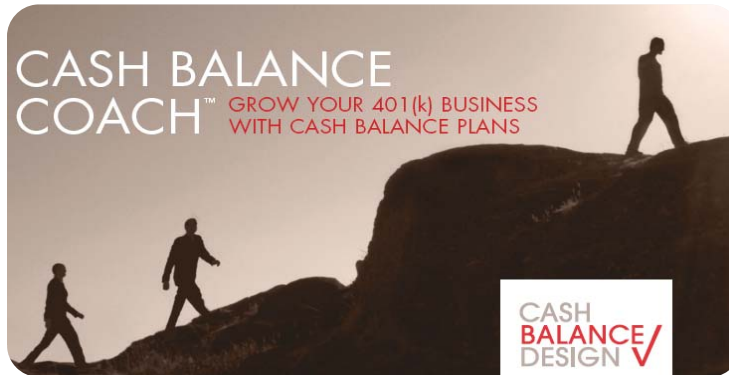
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Cash Balance Coach™ Training Program



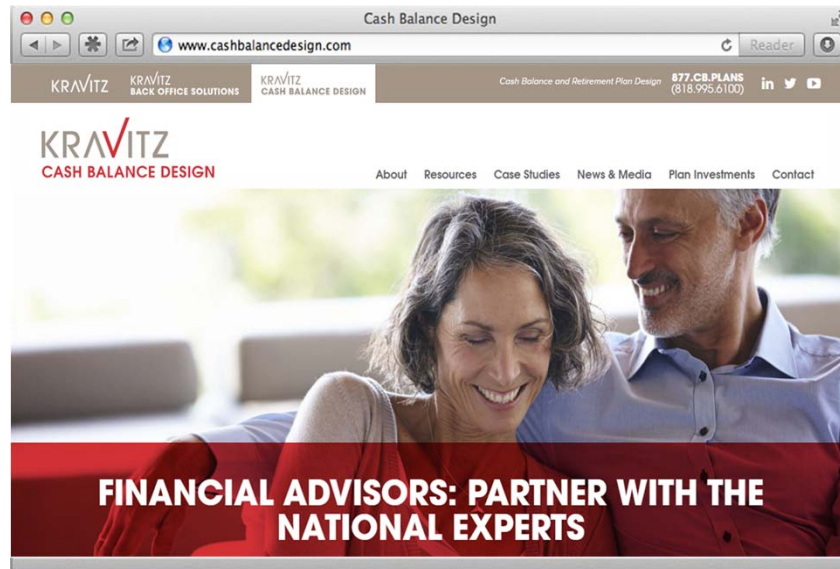
CashBalanceCoach.com: 1480 alumni and growing!

Fall session dates: Oct 3, 5, 10 & 11

Earn Cash Balance Consultant (CBC) Designation



Online Resources: CashBalanceDesign.com



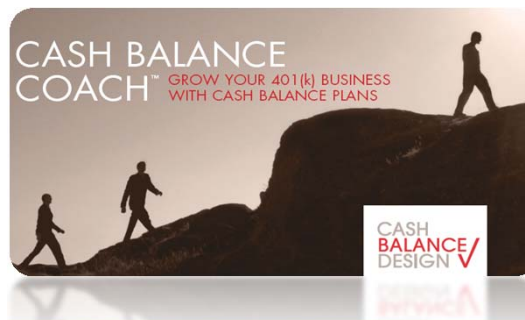
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Save the Dates: October 3, 5, 10 & 11 Cash Balance Coach™ Training Program

Fall session – live webcasts & on-demand option

Register at CashBalanceCoach.com



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