



Cash Balance Outlook 2018

Key Trends & Market Insights



an Ascensus® company




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 September 18, 2018

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Goals

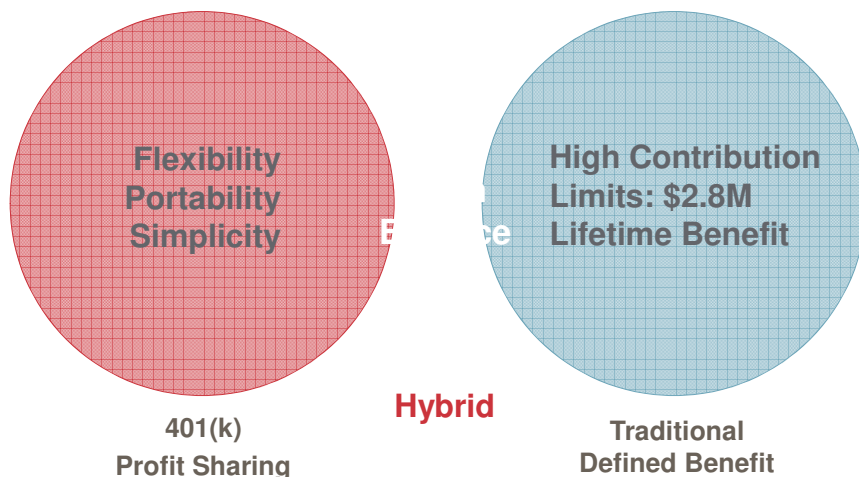
1. **Give you** a clear understanding of the Cash Balance market, present, and future.
2. **Show you** how to take advantage of Cash Balance growth trends.
3. **Empower you** with tools and strategies to grow your business.



Agenda

- 1 2018 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”



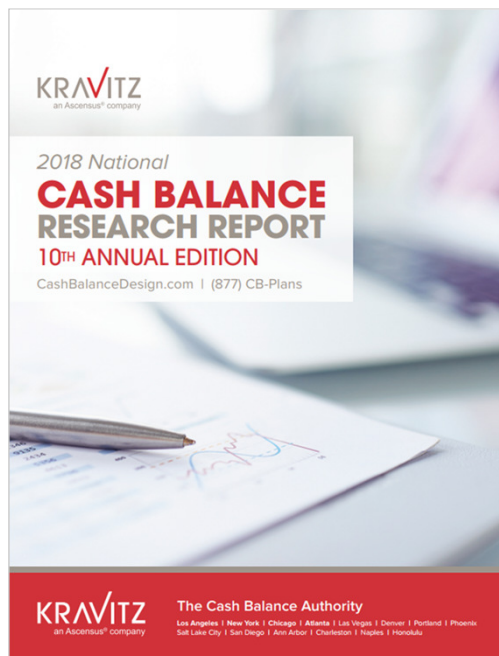
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2018 Research Report Highlights

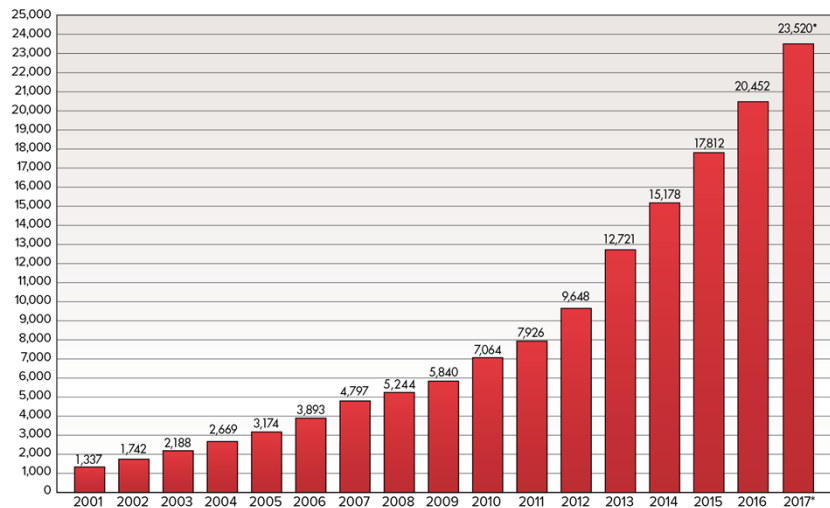
10th Annual Kravitz National Cash Balance Research Report

Data analysis using:

- IRS Form 5500 filings, 2001-2016
- 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

Year over year increase in new plans 2015 – 2016: flat, mature 401(k) market versus emerging fast-growing CB market.

Cash Balance:

401(k):

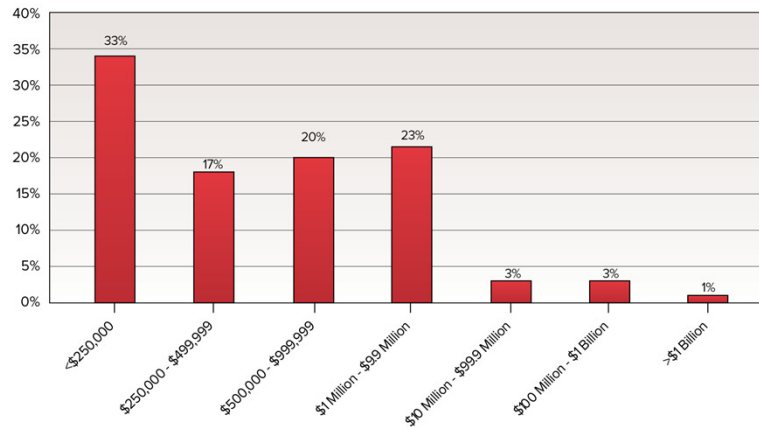


15%



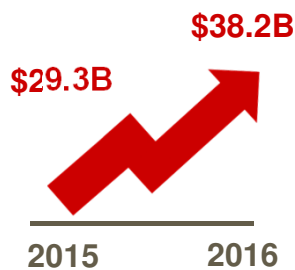
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Cash Balance Assets Surpass \$1T



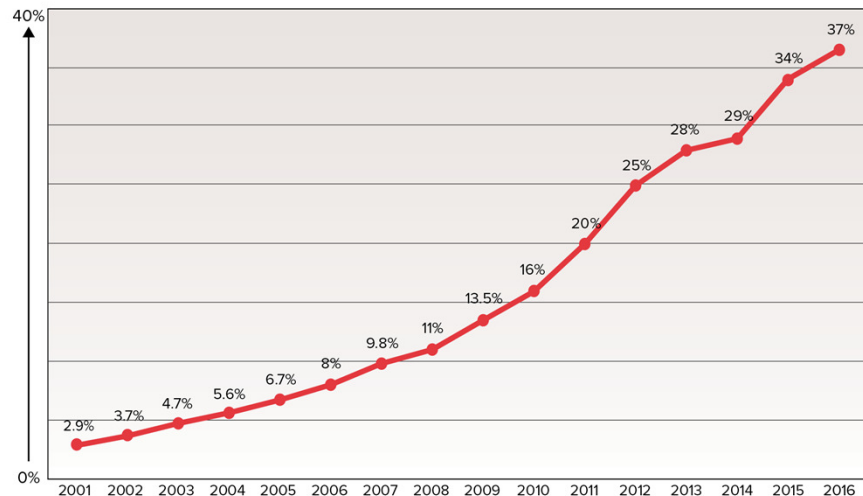
Total assets in all Cash Balance plans nationwide: **\$1.03T** in 20,452 plans
Annual contributions for 2016: **\$38.2 Billion**

30% Increase in Employer Contributions

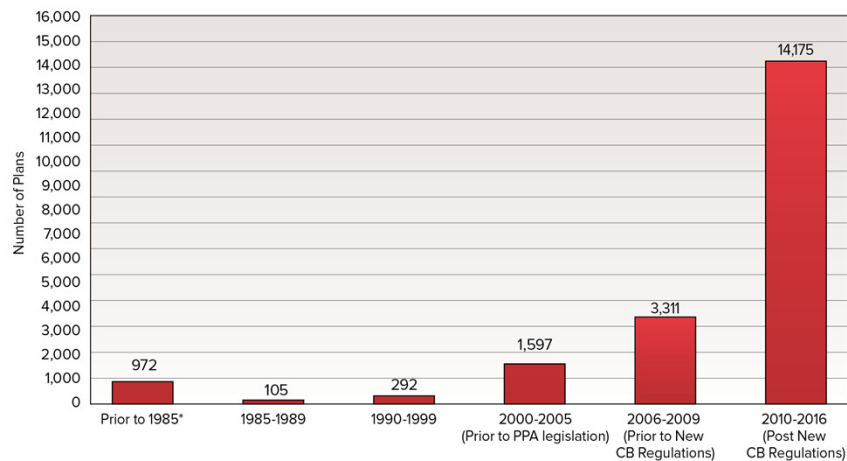


- ✓ Many plans are expanding or increasing contribution amounts for owners/partners
- ✓ CB plans play a key role in attracting and retaining top talent

CB Makes Up 37% 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	2009	2010	2011	2012	2013	2014	2015	2016
401(k) only*	2.2%	2.2%	2.4%	2.6%	2.8%	3.1%	3.7%	4.7%
401(k) combined with a Cash Balance plan**	5.8%	6%	6.2%	6.3%	6.3%	6.5%	6.6%	6.9%

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

Note: companies tend to decrease contributions to employee 401(k) accounts during an economic downturn, but CB contributions remain the same.

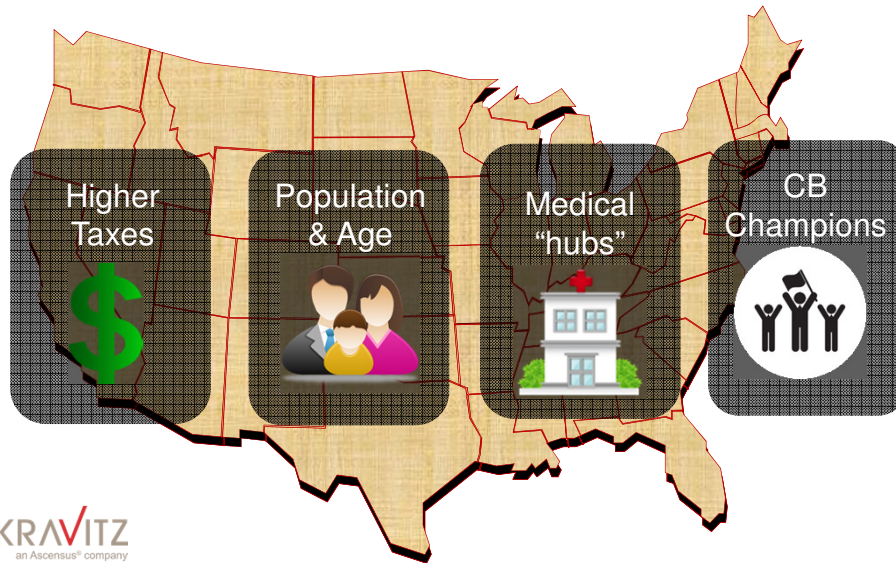
*Source: data on company contributions to 401(k) plans from Plan Sponsor Council of America (PSCA) 60th Annual Survey data and reports; CB-401(k) combo plans is based on existing Kravitz client plans.

Cash Balance: Regional Concentration

Rank	State	Number of Plans	Percent of Nation's Total	Percent Annual Increase*
1.	CA	2,853	14%	20%
2.	NY	2,039	10%	14%
3.	TX	1,258	6%	14%
4.	OH	1,249	6%	11%
5.	FL	1,243	6%	17%
6.	IL	1,229	6%	8%
7.	NJ	1,079	5%	15%
8.	PA	788	4%	12%
9.	MI	763	4%	18%
10.	GA	507	2%	29%
National Total		20,452		

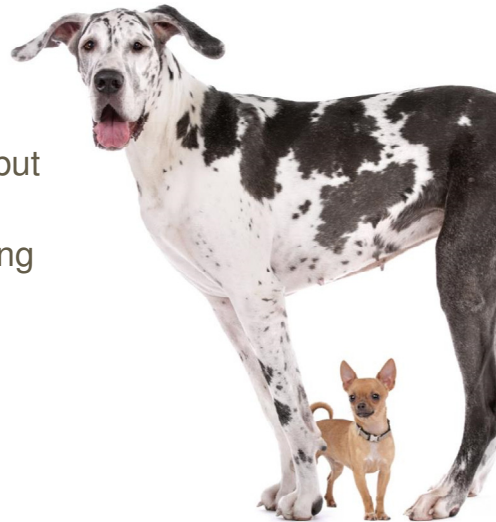
*Increase in total number of plans between 2015–2016, the most recent year for which complete IRS Form 5500 data is available.

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	246	1.4%
1,000 to 10,000	570	3.3%
100 to 999	597	3.6%
25 to 99	1,997	10.7%
10 to 24	4,544	24.2%
1 to 9	12,498	56.7%
National Total	20,452	

Total participants in Cash Balance plans nationwide: **11.8 million**

Why So Appealing to Small Business?

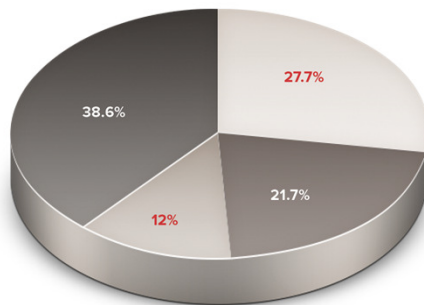
1. **Cost efficiency and tax efficiency:** ratio of owner/employee contributions works very well for small to mid-size firms
2. Age-weighted contribution limits: **ideal for older owners** who have sunk most assets into the business and are behind on retirement
3. **Asset protection** (for lawsuit or bankruptcy)
4. Attracting and **retaining top talent**
(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	\$52.9B	1. Sutter Health	\$3.7B	1. Sidley Austin	\$863.4M
2. AT&T	\$51.2B	2. Massachusetts General Hospital	\$3.1B	2. Morgan, Lewis & Bockius	\$338.5M
3. Boeing	\$29.0B	3. Intermountain Healthcare	\$2.9B	3. Omelveny & Myers	\$234.6M
4. FedEx	\$26.5B	4. University Of Pittsburgh Medical Center	\$2.0B	4. Gibson, Dunn & Crutcher	\$232.5M
5. Bank Of America	\$20.2B	5. North Shore University Hospital	\$1.5B	5. Jones Day	\$209.1M
6. Alcatel-Lucent	\$17.9B	6. Brigham Health	\$1.5B	6. Kirkland & Ellis	\$208.9M
7. United Technologies	\$17.3B	7. Hartford Healthcare	\$1.4B	7. Akin, Gump, Strauss, Hauer & Feld	\$197.2M
8. Honeywell International	\$16.8B	8. The Cleveland Clinic Foundation	\$1.2B	8. DLA Piper	\$170.7M
9. Northrop Grumman	\$16.0B	9. Board of Trustees for Hospital Employees	\$1.1B	9. Arnold & Porter	\$152.8M
10. 3M	\$15.6B	10. William Beaumont Hospital	\$1.1B	10. Reed Smith	\$148.7M

Interest Crediting Rates for Large CB Plans

Our prediction that ARR would surpass both fixed rate and 30-yr Treasury rate plans came true for 2016 – and it will continue!



Interest Crediting Rate	Percentage*
Fixed Rate of Return (ranging from 3% to 5%)	27.7%
30-year Treasury Rate	21.7%
30-year Treasury Rate with a floor (ranging from 3% to 5%)	12%
Actual Rate of Return (ranging from 4% to 5.5%)	38.6%

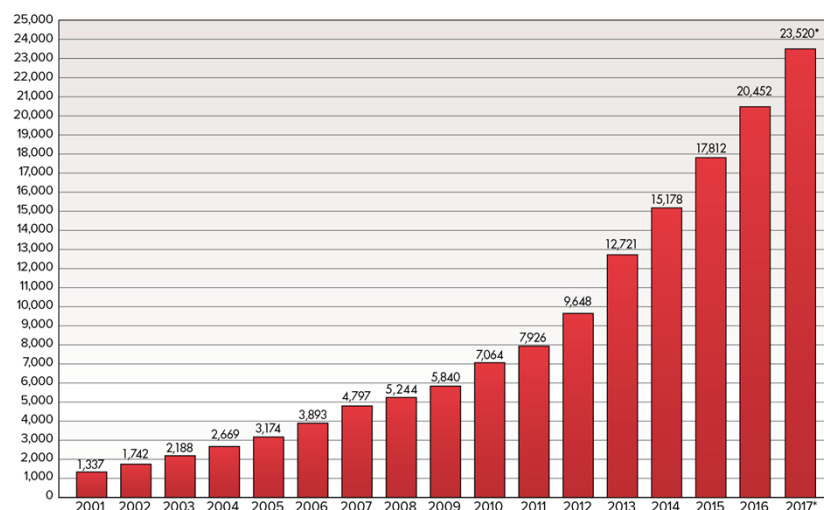
*87% of large ARR plans have a ceiling of 4% to 5.5%.

* Based on Interest Crediting Rate (ICR) selections by 83 Kravitz Cash Balance clients with plans with more than 100 participants.

*Large plans are defined as having 100+ participants.

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.

Understanding Tax Deductions

Above the Line Deductions:

The 'gold standard,' the most desirable deduction because it reduces your adjusted gross income (AGI)

- ✓ Cash Balance and other IRS-qualified retirement plan contributions

Below the Line Deductions:

Many limitations, subject to phase-outs

- ✓ Charitable contributions
- ✓ State taxes
- ✓ Property taxes
- ✓ Mortgage interest
- ✓ **New 20% pass-through deduction**



How Tax Reform Increased the Appeal of CB

How to Optimize Savings Under the New Tax Law

ADVANTAGES OF CASH BALANCE RETIREMENT PLANS

The new tax law offers a significant tax break for pass-through business owners, but exclusions and limitations may prevent many professional services firms from benefitting. Fortunately, **Cash Balance retirement plans** offer a greater advantage than ever, allowing some owners to reduce AGI enough to qualify for the full deduction, 20% of qualified business income (QBI).

Who qualifies for the new 20% pass-through income deduction?

Taxable Income*	Business Type	Pass-through deduction
✓ < \$150,000	Any pass-through entity, including specified service businesses.†	YES, can deduct 20% of QBI.
\$150,000 – \$499,999	Any pass-through entity.	LIMITED: noncapital-intensive* phases in for all firms, and deduction phases out for specified service firms.
> \$499,999	Not a specified service business.	LIMITED to the lesser of 20% of QBI or wage/capital limitation.
✗ > \$499,999	Specified service businesses.	NO deduction allowed, excluded from new tax law benefits.

* Excludes nonqualifying private single-owners. See IRS Notice 2018-016 (12/31/18) for more details.

† Specified service businesses include the top ten tax-exempt professional services, including engineering and architecture, law, accounting, actuarial science, consulting, and other professional services involving engineering and architecture, law, accounting, actuarial science, consulting, and other professional services.

‡ Phase-out and capital limitation formula to complete see the Kravitz Information Resource for a detailed explanation.

Qualified retirement plan contributions like Cash Balance remain the gold standard of deductions, since they reduce both taxable income AND adjusted gross income (AGI).



Before & After Adding a Cash Balance Plan

Medical Group Partner, 60, married

AGI: \$150,000

No Cash Balance Plan:

Not eligible for pass-through deduction.

Add a Cash Balance Plan for 401(k) Profit-Sharing Plan:

With combined retirement plan contributions of \$255,000,

AGI is lowered to **\$245,000** allowing 20% pass-through deduction and reducing effective tax rate to 20%.

Remember: This handbook provides general information only and is not a substitute for professional tax advice. Please consult with your tax advisor to review your specific case.

Call Kravitz for a free consultation and a free plan design to find out how to take advantage of the new tax law changes. Call 877 CB-Plans

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Who qualifies for the 20% deduction?

- ✓ Business owners of pass-through entities in **any** type of profession, who have incomes **below a specified threshold** (\$157,500 single filer/\$315,000 married filing jointly).
- ✓ Business owners of pass-through entities that are **not** specified services firms but do have incomes **above the threshold**.
 - *However, their deduction is subject to limitations.*



Who does not qualify for 20% deduction?

- ✓ Business owners of pass-through entities that are “specified service businesses” **and** have taxable income above \$207,500 single / \$415,000 married filing jointly.
 - ***Represents over 80% of the plan sponsors of Cash Balance plans at our firm***



Summary of Cash Balance Tax Advantages

1. In a high tax environment, a way to reduce AGI and lower the overall tax burden.
2. After tax reform, a way to take maximum advantage of the new 20% pass-through deduction.



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

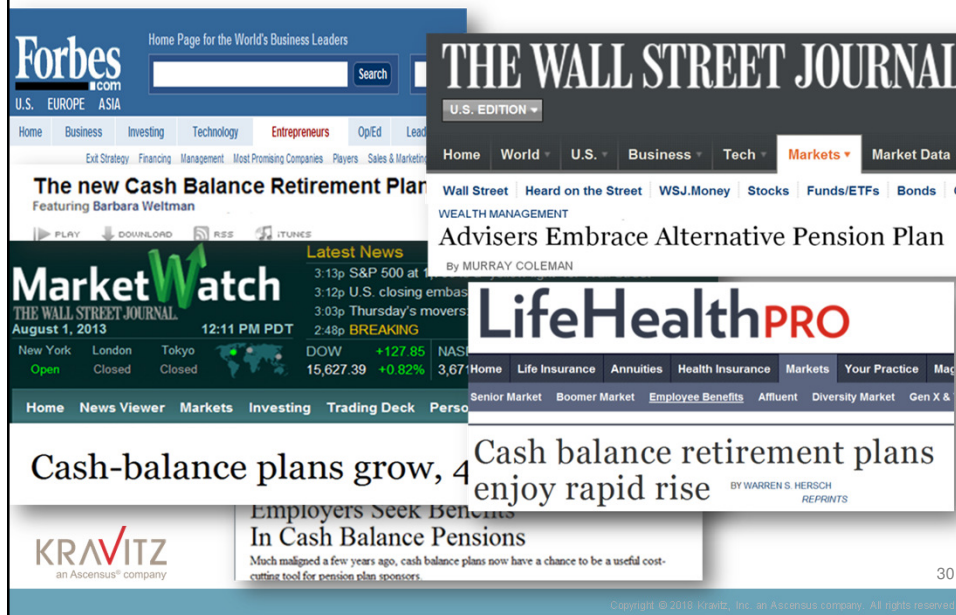
Fastest Way to “Catch Up” on Savings

2018 Contribution Limits				
401(k) Profit Sharing & Cash Balance Plans				
Age	401(k) with Profit Sharing	Cash Balance	TOTAL	Tax savings*
60 - 65	\$61,000	\$270,000	\$331,000	\$148,950
55 - 59	\$61,000	\$217,000	\$278,000	\$125,100
50 - 54	\$61,000	\$166,000	\$227,000	\$102,150
45 - 49	\$55,000	\$127,000	\$182,000	\$81,900
40 - 44	\$55,000	\$97,000	\$152,000	\$68,400
35 - 39	\$55,000	\$74,000	\$129,000	\$58,050
30 - 34	\$55,000	\$56,000	\$111,000	\$49,950

*Assuming 45% tax bracket, taxes are deferred

Cash Balance lifetime limit: \$2,800,000

Surge in Media Coverage of CB Plans



The collage features several headlines from major financial and business publications:

- Forbes**: "The new Cash Balance Retirement Plan" featuring Barbara Weltman.
- THE WALL STREET JOURNAL**: "Advisers Embrace Alternative Pension Plan" by Murray Coleman.
- MarketWatch**: "Cash-balance plans grow, 4" (partially visible).
- LifeHealthPRO**: "Cash balance retirement plans enjoy rapid rise" by Warren S. Hersch.
- 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."

- New incentives based on tax law
- 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



Tip #1: Focus on the Right Targets

Ideal Candidates for Cash Balance Plans



1. Principals seeking a tax deduction of more than \$50,000 or making more than \$250,000 per year.
2. Highly profitable companies of all types and sizes.
3. Successful family businesses and closely held businesses.
4. CNA and law firms, medical groups and professional firms.
5. Older owners who intend to spend 20 years of retirement saving into 10.

Call for a free consultation to learn more about the advantages of a Cash Balance Plan.

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www.CashBalanceDesign.com

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2018 Maximum Contribution Limits 401(k), Profit Sharing & Cash Balance Plans

Age	401(k) only	401(k) with Profit Sharing	Cash Balance	TOTAL
60-65	\$24,500	\$61,000	\$270,000	\$331,000
55-59	\$24,500	\$61,000	\$217,000	\$278,000
50-54	\$24,500	\$61,000	\$166,000	\$227,000
45-49	\$18,500	\$55,000	\$127,000	\$182,000
40-44	\$18,500	\$55,000	\$ 97,000	\$152,000
35-39	\$18,500	\$55,000	\$ 74,000	\$129,000
30-34	\$18,500	\$55,000	\$ 56,000	\$111,000

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Who is Ideal?



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

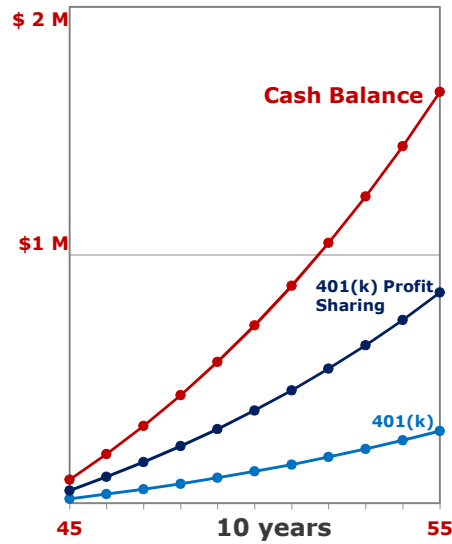
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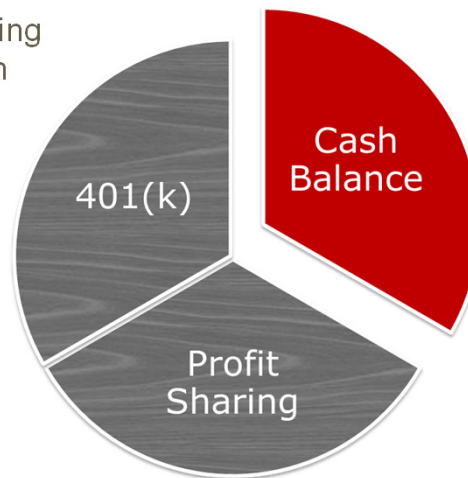
Who is Ideal?

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



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Who is Ideal?



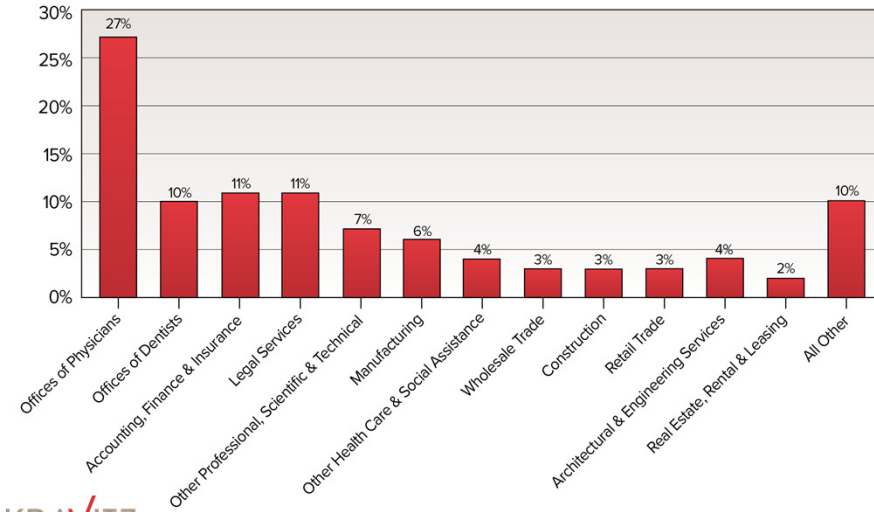
Successful family businesses and closely held businesses

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Growth Across Diverse Business Sectors:



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Ever-Increasing Variety of Businesses!

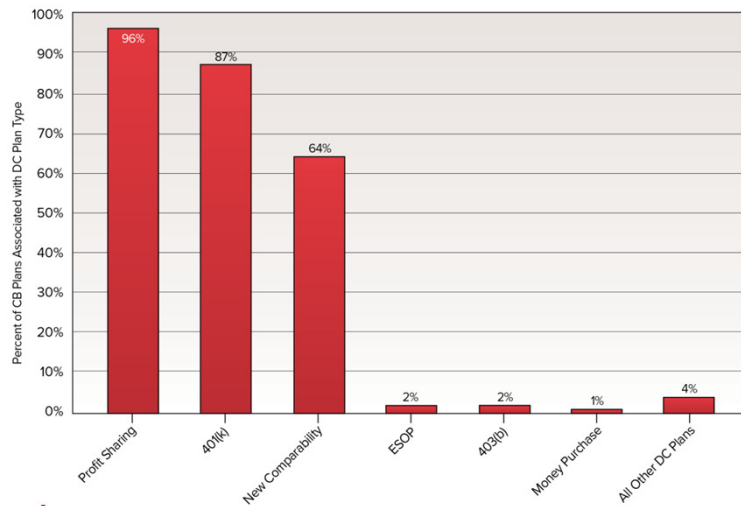


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Tip #2: Understand Plan Combinations



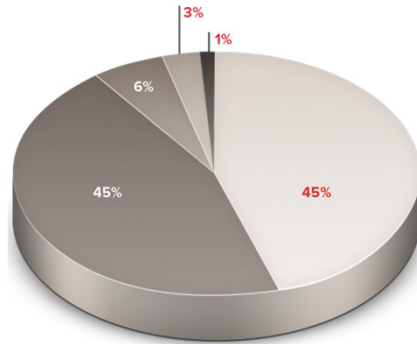
Tip #3: Reach Out to CPAs

- ✓ 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

← → ↻ <https://www.youtube.com/user/cashbalancecoach> ☆ ☰

YouTube Search Upload

17 subscribers 2,607 views Video Manager

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Retirement Plans that Save Today and Build Tomorrow

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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

Tip #5: Partner with a Cash Balance Specialist



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- ✓ 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 (ARR). 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.

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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.

4 Market Trends and Predictions

Key Trends

Key trends impacting today's Cash Balance plan market:



- ✓ **New incentives based on tax law changes** – some professional services firms need CB to access 20% deduction.
- ✓ **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.

Helpful Guide: Understanding ICRs

KRAVITZ CASH BALANCE RETIREMENT PLANS BY KRAVITZ

More Options
More Choice
More Freedom



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 double or triple the tax advantages of other plans. Now Kravitz has made Cash Balance plans an even better solution by introducing an innovative new option: flexible investment choices 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 choices 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 advisor to choose investment strategy

Helpful Guide: Understanding ICRs

New Era, New Options

Thanks to IRS regulations introduced in 2013, 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 2013 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 deduction 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.

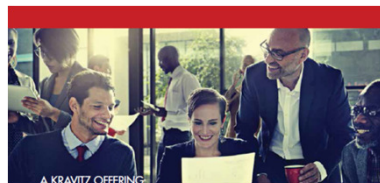
Current options include:

- **30-year Treasury rate:** 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 5% 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: no participant's account can ever 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 90% fixed income.



Conservative:
A portfolio of 25% 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 65% fixed income, seeks a 7 to 8% 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

Learn More About Strategic Plan Terminations

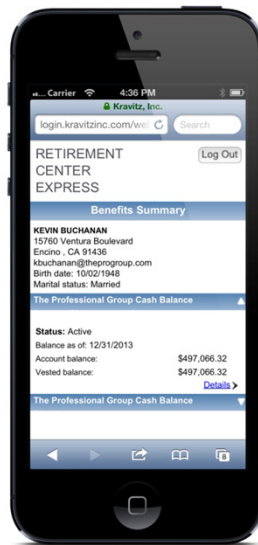


Cash Balance 2018 Predictions



1. Prediction: 15%+ Cash Balance growth driven by tax climate, economy, increasing awareness.
2. Professional services firms rush to add CB in 2018 to access 20% pass-through deduction.
3. Actual Rate of Return (ARR) continues dominating in the large plan market, with popularity of fixed rates and 30-yr treasury decreasing.
4. More large firms opt for 'investment choice' Cash Balance plans.
5. 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



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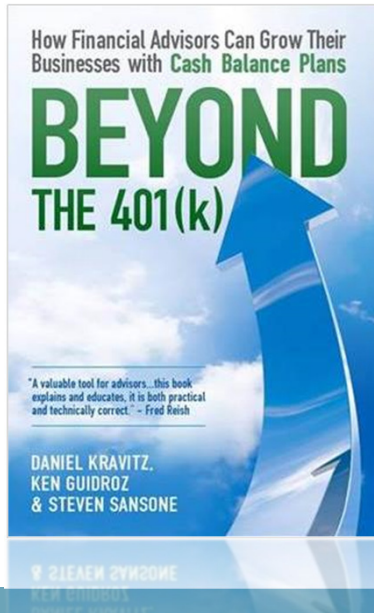
Cash Balance Consultants

Free Custom Cash Balance Plan Designs

Name	Age	Annual Salary	401(k)	Profit Sharing	Cash Balance	Total Contribution	Tax Savings*
Group 1: Owners							
Owner 1	60	\$ 275,000	\$ 24,500	\$ 36,500	\$0 to \$ 50,000	\$ 111,000	\$ 49,950
Owner 2	50	\$ 275,000	\$ 24,500	\$ 36,500	\$0 to \$ 50,000	\$ 111,000	\$ 49,950
Owner 3	40	\$ 275,000	\$ 18,500	\$ 36,500	\$0 to \$ 50,000	\$ 105,000	\$ 47,250
Owner 4	35	\$ 275,000	\$ 18,500	\$ 36,500	\$0 to \$ 50,000	\$ 105,000	\$ 47,250
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	\$ 57,000	\$ 18,000	\$ 75,000	\$ 33,750
Grand Totals		\$ 2,240,000	\$ 86,000	\$ 203,000	\$ 218,000	\$ 507,000	\$ 228,150
Percent of Contribution to Owners:						85.2%	

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Beyond the 401(k)



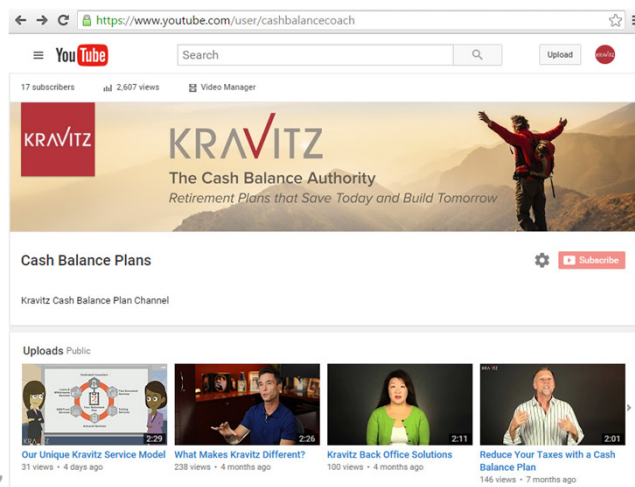
Available in all formats at
Amazon.com

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Cash Balance YouTube Channel

www.youtube.com/user/CashBalanceCoach



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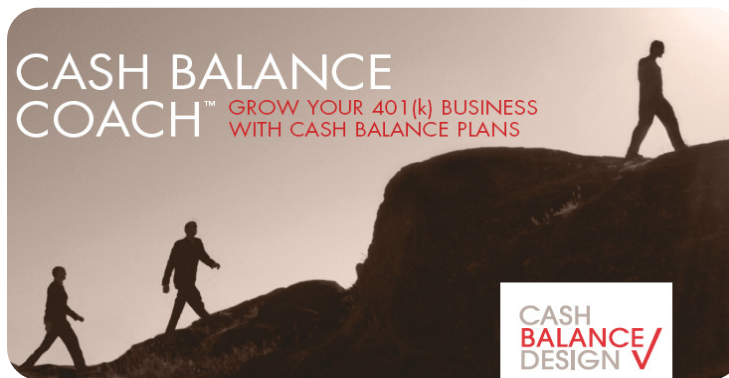
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Cash Balance Coach™ Training Program



CashBalanceCoach.com: 1480 alumni and growing!

Fall session dates: Oct 16, 17, 23 & 26



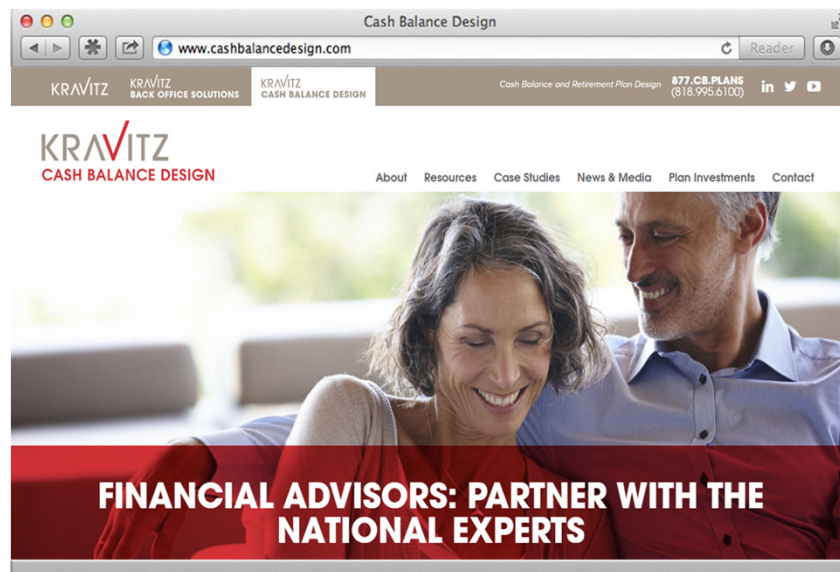
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Earn Cash Balance Consultant (CBC) Designation



Online Resources: CashBalanceDesign.com



Save the Dates: October 16, 17, 23 & 26 Cash Balance Coach™ Training Program

Fall session – live webcasts & on-demand option

Register at CashBalanceCoach.com



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