

Combination of Defined Benefit Plan & Profit Sharing Plan

A Comparative Illustration

	<u>Age</u>	<u>Wages</u>	<u>2023 Contributions</u>		
			<u>SEP or Profit Sharing</u>	<u>Cross-Tested Profit Sharing</u>	<u>Cross-Tested Profit Sharing & Defined Benefit</u>
Owner	47	\$330,000	\$66,000	\$66,000	\$212,800
Employee 1	50	60,000	12,000	3,000	3,000
Employee 2	30	36,000	7,200	1,800	3,200
Employee 3	20	24,000	4,800	1,200	1,200
Total		\$450,000	\$90,000	\$72,000	\$220,200
Owner's share		73%	73%	92%	97%