

**Combination of Defined Benefit Plan & Profit Sharing Plan**

A Comparative Illustration

	<u>Age</u>	<u>Wages</u>	<u>2025 Contributions</u>		
			<u>SEP or Profit Sharing</u>	<u>Cross-Tested Profit Sharing</u>	<u>Cross-Tested Profit Sharing &amp; Defined Benefit</u>
Owner	47	\$350,000	\$70,000	\$70,000	\$175,000
Employee 1	50	60,000	12,000	3,000	3,000
Employee 2	30	36,000	7,200	1,800	2,600
Employee 3	20	24,000	4,800	1,200	1,200
Total		\$470,000	\$94,000	\$76,000	\$181,800
Owner's share		74%	74%	92%	96%