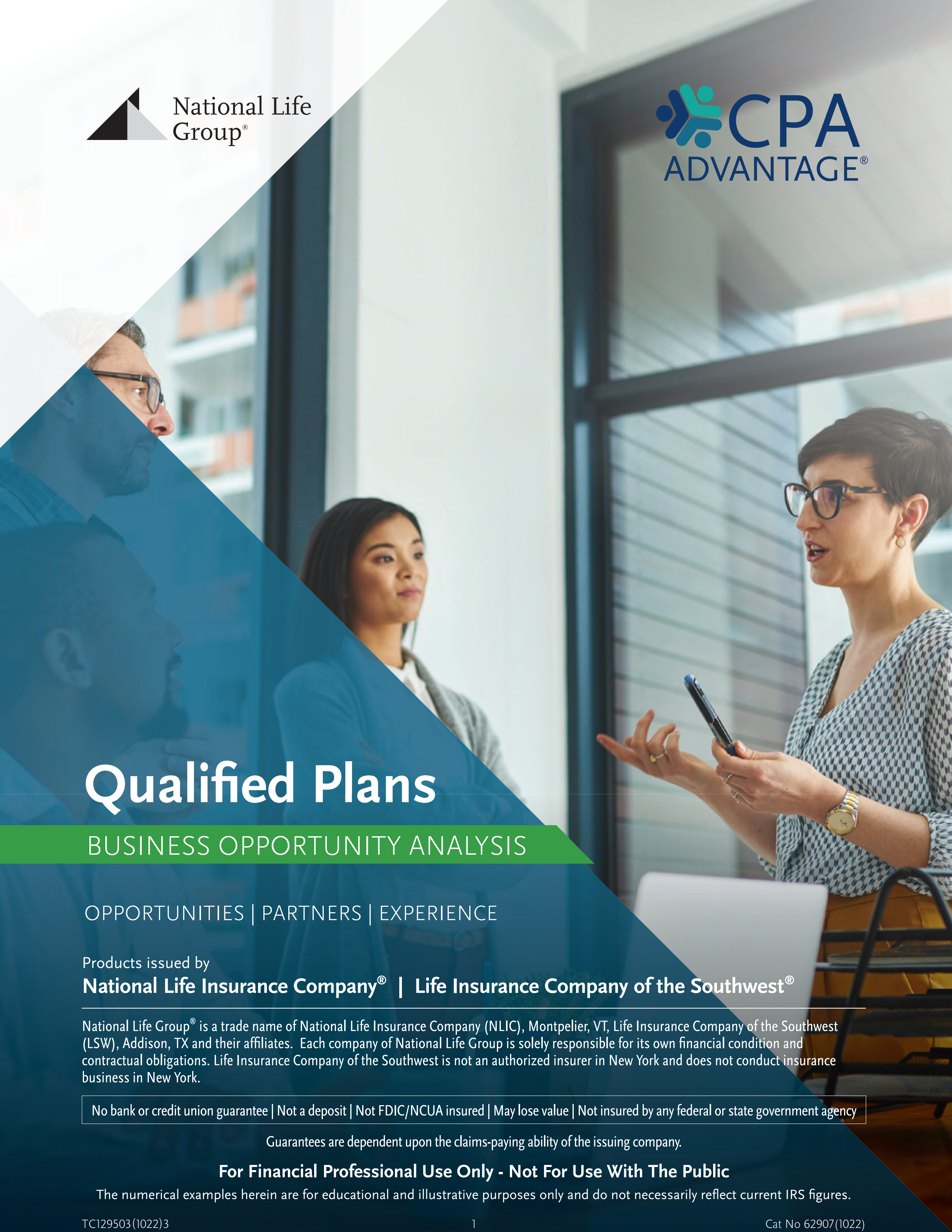

National Life Group®

CPA ADVANTAGE®

Qualified Plans

BUSINESS OPPORTUNITY ANALYSIS

OPPORTUNITIES | PARTNERS | EXPERIENCE

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Guarantees are dependent upon the claims-paying ability of the issuing company.

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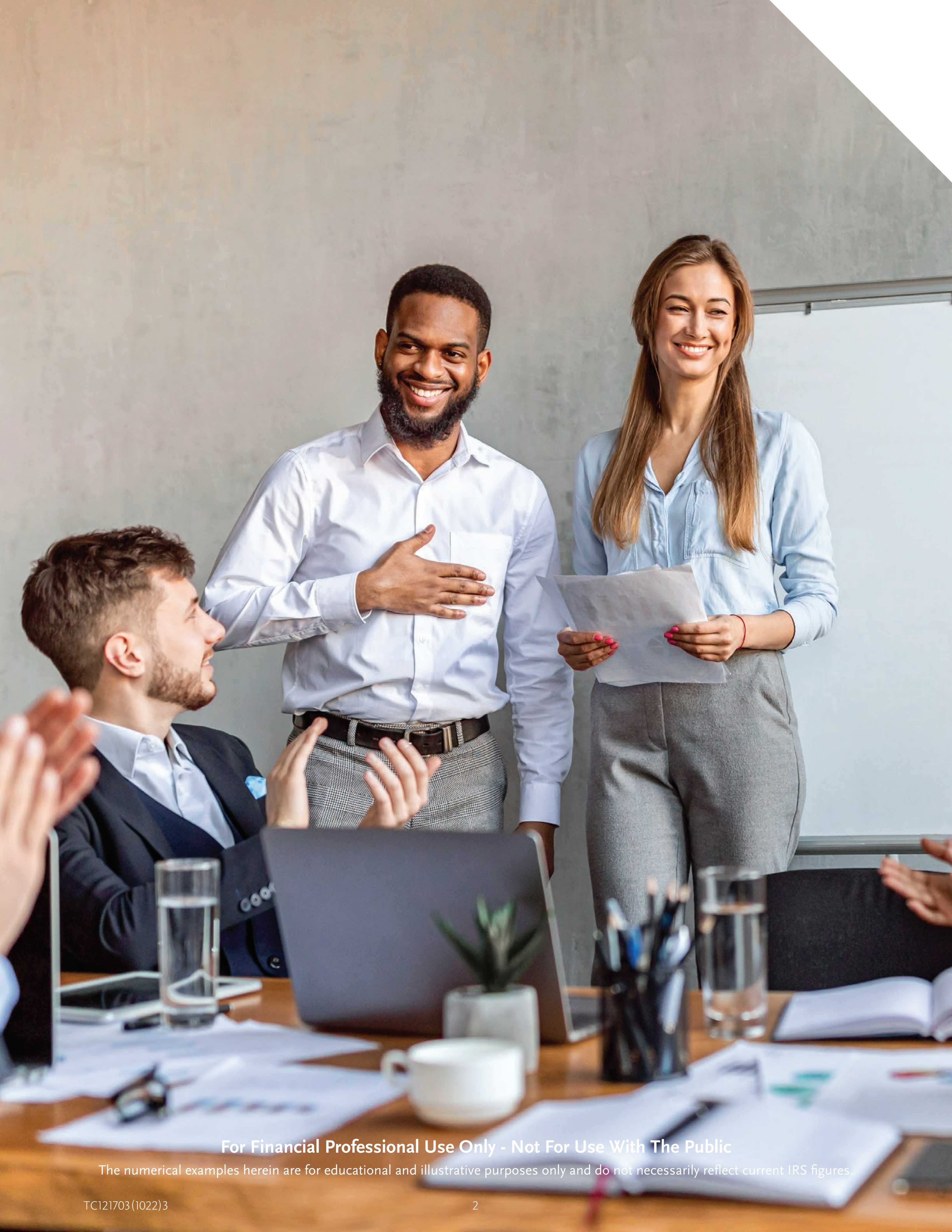

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Qualified Plans

Business Opportunity Analysis

Tax-deductible qualified plans provide retirement benefits for the business owner and employees and can provide death and disability benefits. They give employers an edge in attracting and retaining highly qualified employees.

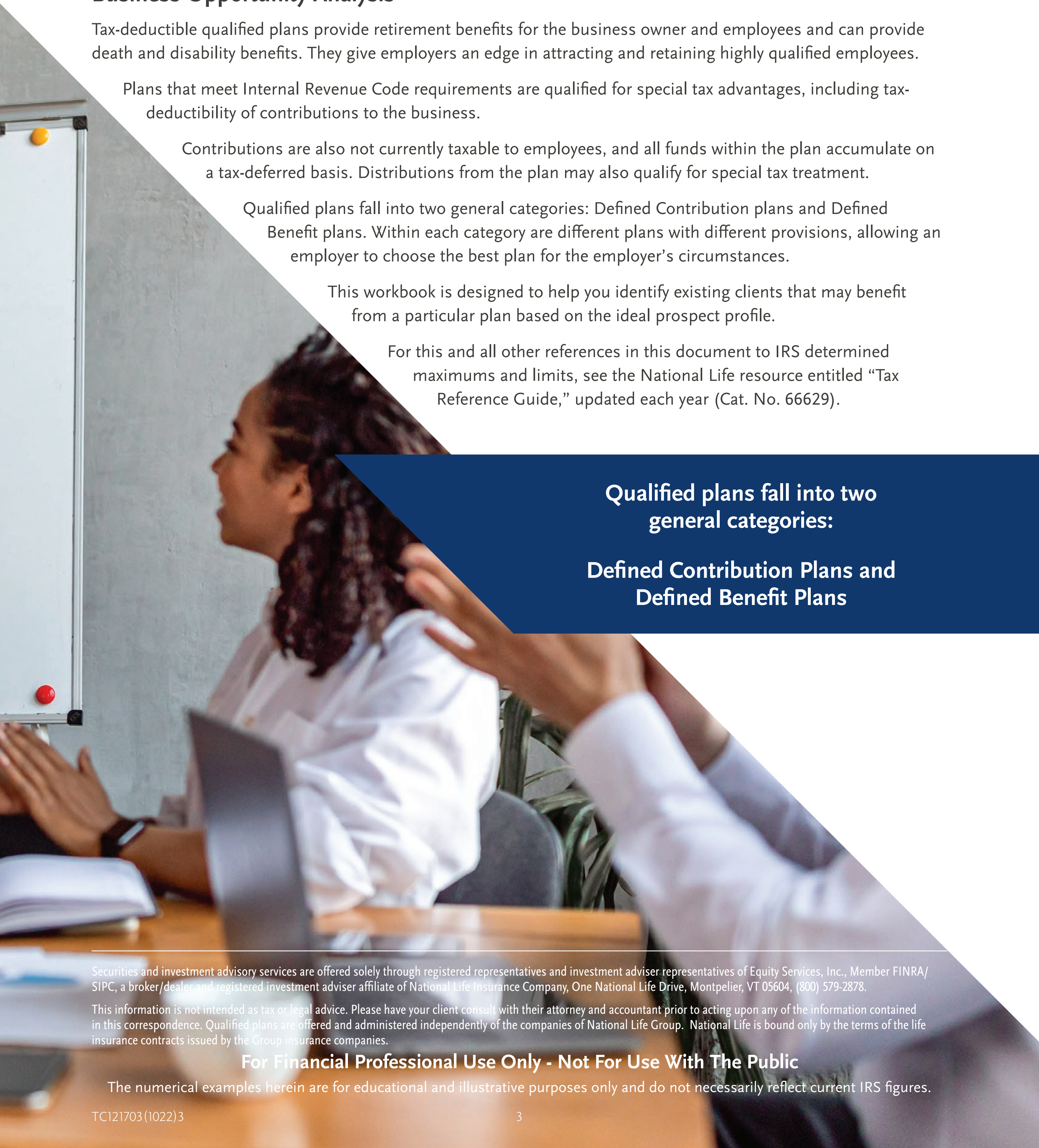
Plans that meet Internal Revenue Code requirements are qualified for special tax advantages, including tax-deductibility of contributions to the business.

Contributions are also not currently taxable to employees, and all funds within the plan accumulate on a tax-deferred basis. Distributions from the plan may also qualify for special tax treatment.

Qualified plans fall into two general categories: Defined Contribution plans and Defined Benefit plans. Within each category are different plans with different provisions, allowing an employer to choose the best plan for the employer's circumstances.

This workbook is designed to help you identify existing clients that may benefit from a particular plan based on the ideal prospect profile.

For this and all other references in this document to IRS determined maximums and limits, see the National Life resource entitled "Tax Reference Guide," updated each year (Cat. No. 66629).



Qualified plans fall into two general categories:

Defined Contribution Plans and Defined Benefit Plans

Traditional Profit-Sharing Plan

Traditional Profit-Sharing plans have contributions that are flexible and are determined each year by the employer. The contribution is allocated among eligible employees either in proportion to pay or by using a formula integrated with Social Security. Deductible contributions can be up to 25% of the total payroll of all participants in the plan. Individual allocations may be up to 100% of pay, to a maximum, as determined annually by the Internal Revenue Service (IRS).

Prospect Profile:

Plan Objectives – Flexibility and discretion over year-to-year contribution levels.

Census Demographics – Plan works best for small groups or when the highly compensated participants do not have disparity in age over the non-highly compensated.

Entity Types – All – very popular with sole proprietors.

Profitability of Business – Low to moderate – for budgets equal to or less than 25% of covered payroll or profits tend to fluctuate from year to year. Good for a start-up business that is not ready to commit to a fixed contribution.

Income Demographics – Integration may be applied to favor individuals earning over the taxable wage base amount determined by the IRS eah year.

Age Demographics – Used when age disparity between highly compensated and non-highly compensated is not present.

Most Common Alternative Plan Type – SEP IRA
Advantages of Profit-Sharing over SEP IRA:

	Profit Sharing	SEP IRA
Eligibility	1,000 hours	part-time employees (earn $600)
Vesting	20% after year 2 100% after year 6	100% immediate
Insurance Available	Yes	No
Protection from Creditors	Yes	May not be
Participant Access to funds	Not until separation from service	100% immediately

Notes:

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Traditional Profit-Sharing Plan Example

			Plan I		Plan II	
Employee	**Age**	**Annual Salary**	**Non-Integrated Profit Sharing**	**% of Pay**	**Integrated Profit Sharing**	**% of Pay**
Owner A	55	$290,000	$58,000	20%	$58,000	20%
Owner B	50	$290,000	$58,000	20%	$58,000	20%
Owner C	48	$200,000	$40,000	20%	$36,161	21%
Employee 1	50	$60,000	$12,000	20%	$11,707	20%
Employee 2	42	$50,000	$10,000	20%	$9,756	20%
Employee 3	35	$45,000	$9,000	20%	$8,781	20%
Employee 4	30	$30,000	$6,000	20%	$5,854	20%
Employee 5	28	$28,000	$5,600	20%	$5,463	20%
Employee 6	25	$25,000	$5,000	20%	$4,878	20%
Plan Totals:		$1,018,000	$203,600		$198,600	
Key Employee Totals:		$780,000	$156,000		$152,161	
Key Employee Percent:			77%		77%	

Plan I: Allocation Formula

$203,600, allocated in proportion to total salary, not to exceed annual IRS limit.

Plan II: Allocation Formula

$198,600 allocated on an integrated level.

The following qualified plan examples are purely hypothetical and for illustrative purposes only. They do not represent the actual setup of any particular plan. The illustrated results are not indicative of any particular situation. Your results will likely differ from the results shown above.

Age-Weighted Profit-Sharing Plan

Age-Weighted Profit-Sharing plans are designed to give the greatest benefit to those employees who are closer to retirement and have less time to accumulate retirement funds. Frequently, this includes the business owner and key employees.

Plan contributions are flexible and are determined each year by the employer. The contribution is allocated among eligible employees according to their age and salaries.

Prospect Profile:

Plan Objectives – Flexibility and desire to favor older key employees.

Census Demographics – Employers with two or more participants where key employees are older than other employees.

Entity Types – All – works especially well for sole proprietors who are at least 5-10 years older than other employees.

Profitability of Business – Low to moderate – for budgets equal to or less than 25% of eligible payroll or profits tend to fluctuate from year to year.

Income Demographics – Age disparity is more important than compensation differential. Appropriate for low to high key employee income levels.

Age Demographics – Employees favored are ideally at least 5-10 years older than other employees.

Most Common Alternative Plan Type – Profit Sharing Select®.

Notes:

Age-Weighted Profit-Sharing Plan Example

			Plan I		Plan II	
Employee	**Age**	**Annual Salary**	**Traditional Integrated Profit Sharing**	**% of Pay**	**Age Weighted Profit Sharing**	**% of Pay**
Owner A	55	$290,000	$58,000	20%	$58,000	20.0%
Owner B	50	$290,000	$58,000	20%	$38,572	13.3%
Owner C	48	$175,000	$36,161	21%	$19,772	11.3%
Employee 1	50	$60,000	$11,707	20%	$7,980	13.3%
Employee 2	42	$50,000	$9,756	20%	$3,463	6.9%
Employee 3	35	$45,000	$8,781	20%	$1,761	3.9%
Employee 4	30	$30,000	$5,854	20%	$900	3.0%
Employee 5	28	$28,000	$5,463	20%	$840	3.0%
Employee 6	25	$25,000	$4,878	20%	$750	3.0%
Plan Totals:		$993,000	$198,600		$132,038	
Key Employee Totals:			$152,161		$116,344	
Key Employee Percent:			77%		88%	

Plan I: Traditional Profit-Sharing Allocation Formula
$198,600, allocated in proportion to total salary, not to exceed annual IRS limit.

Plan II: Age-Weighted Profit-Sharing Allocation Formula
$132,038 allocated on an age-weighted basis

Profit Sharing Select

Profit Sharing Select offers flexible annual contributions and flexibility in the way the contributions are allocated. Subject to certain IRS tests, Profit Sharing Select allows the employer to allocate a greater portion of the annual contribution to those select groups of employees to who the employer most wishes to benefit.

Prospect Profile:

Plan Objectives – Flexible and favoring older, highly compensated participants.

Census Demographics – Plan works best for groups of three or more participants, where the non-highly compensated employees are at least 5-10 years younger(on average) than the highly compensated employees favored.

Entity Types – All types.

Profitability of Business – Low to moderate – for budgets equal to or less than 25% of covered payroll. Age disparity may allow highly compensated participants to achieve their maximum contribution with only 5% of pay for other employees.

Income Demographics – Income is not as great a factor as age. Generally, salaries of key employees are $100,000 or more.

Age Demographics – Used when age disparity between highly compensated and non-highly compensated is present. Key employees' average age is 5-10 years more than the average age of non-key employees.

Most Common Alternative Plan Type – Age-Weighted Profit-Sharing.

Generally, Profit Sharing Select will produce better results for older, highly compensated employees than Age-Weighted.

Notes:

Profit Sharing Select Plan Example

			Plan I		Plan II		Plan III	
Employee	**Age**	**Annual Salary**	**Traditional Integrated Profit Sharing**	**% of Pay**	**Age Weighted Profit Sharing**	**% of Pay**	**Profit Sharing Select**	**% of Pay**
Owner A	55	$290,000	$58,000	20%	$58,000	20.0%	$58,000	20.0%
Owner B	50	$290,000	$58,000	20%	$38,572	13.3%	$58,000	20.0%
Owner C	48	$200,000	$36,161	21%	$19,772	11.3%	$58,000	29.0%
Employee 1	50	$60,000	$11,707	20%	$7,980	13.3%	$3,000	5.0%
Employee 2	42	$50,000	$9,756	20%	$3,463	6.9%	$2,500	5.0%
Employee 3	35	$45,000	$8,781	20%	$1,761	3.9%	$2,250	5.0%
Employee 4	30	$30,000	$5,854	20%	$900	3.0%	$1,500	5.0%
Employee 5	28	$28,000	$5,463	20%	$840	3.0%	$1,400	5.0%
Employee 6	25	$25,000	$4,878	20%	$750	3.0%	$1,250	5.0%
Plan Total:		$1,018,000	$198,600		$132,038		$185,900	
Key Employee Total:			$152,161		$116,344		$174,000	
Key Employee Percent:			77%		88%		94%	

Plan I: Traditional Profit-Sharing Allocation Formula
$198,600, allocated in proportion to total salary, not to exceed annual IRS limit.

Plan II: Age-Weighted Profit-Sharing Allocation Formula
$132,038 allocated on an age-weighted basis

Plan III: Profit-Sharing Select
Highly compensated employees: 29% of pay, or
individual IRC Section 415 maximum not to exceed annual IRS limit.
Non-highly compensated employees: 5.0% of pay

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401(k) Profit-Sharing Plan

Contributions to 401(k) plans may be made by both the employer and the employee. The maximum employee elective deferral is determined annually by the IRS.

Employee contributions are made by deferral of pre-tax or after-tax salary (or a combination of both). The amount of salary deferral allowed for highly compensated employees depends upon the level of deferrals made by non-highly compensated employees. A matching contribution may help to promote salary deferrals among the rank and file. Adoption of safe-harbor provisions (either fully vested matching or non-elective employer contributions) eliminates non-discrimination testing.

Prospect Profile:

Plan Objectives – Employee-driven plan where it is desired that employees contribute to their own retirement. Employers may also provide matching or discretionary contributions.

Census Demographics – Works best for groups of 15 or more.

Entity Types – All types.

Profitability of Business – Low to moderate – for budgets equal to or less than 25% of eligible payroll.

Income Demographics – Integration may be applied to favor individuals earning over the taxable wage base, as determined annually by the IRS, if the plan provides for a discretionary contribution. Rank and file employees with low incomes will generally not participate at a high rate, meaning key employee deferrals may be limited.

Age Demographics – A discretionary contribution based on a Profit Sharing Select allocation method may be added if key employees' average age is 5-10 years more than other employees. Otherwise, age is not a factor.

Most Common Alternative Plan Type – Simple IRA for small employers, especially if incomes are $60,000 or less.

Notes:

Traditional 401(k) Plan Example

Elective Deferrals: Subject to non-discrimination testing
Employer Matching: Dollar-for-dollar match up to 3% of salary

Employee	Age	Annual Salary	Deferral Percent	Deferral Amount	Matching Contribution	Total Contribution
Owner A	55	$290,000	5%	$21,000	$8,700	$29,700
Owner B	50	$290,000	5%	$21,000	$8,700	$29,700
Owner C	48	$200,000	5%	$10,000	$6,000	$16,000
Employee 1	50	$60,000	3%	$1,800	$1,800	$3,600
Employee 2	42	$50,000	3%	$1,500	$1,500	$3,000
Employee 3	35	$45,000	3%	$1,350	$1,350	$2,700
Employee 4	30	$30,000	3%	$900	$900	$1,800
Employee 5	28	$28,000	3%	$840	$840	$1,680
Employee 6	25	$25,000	3%	$750	$750	$1,500
Plan Total:		$1,018,000		$59,140	$30,540	$89,680
Key Employee Total:				$52,000	$23,400	$75,400
Key Employee Percent:				88%	77%	84%
ADP Test: Averaging deferral of non-highly compensated employees: 3%						

Safe Harbor 401(k) with Profit Sharing Plan Example

Elective Deferrals: Up to annual IRS limit not subject to non-discrimination testing
Individuals age 50 or older may defer an additional amount based on annual IRS limit.
Employer Non-Elective Contribution: 3% of salary
Discretionary Contribution: Highly compensated employees: 16%; Rank-and-file: 2%

Employee	Age	Annual Salary	Deferral Amount	3% Non-Elective Contribution	Profit Sharing Contribution	Total Contribution
Owner A	55	$290,000	$26,000	$8,700	$29,800	$64,500
Owner B	50	$290,000	$26,000	$8,700	$29,800	$64,500
Owner C	48	$200,000	$19,500	$6,000	$32,500	$58,000
Employee 1	50	$60,000	$0	$1,800	$1,200	$3,000
Employee 2	42	$50,000	$0	$1,500	$1,000	$2,500
Employee 3	35	$45,000	$0	$1,350	$900	$2,250
Employee 4	30	$30,000	$0	$900	$600	$1,500
Employee 5	28	$28,000	$0	$840	$560	$1,400
Employee 6	25	$25,000	$0	$750	$500	$1,250
Plan Total:		$1,018,000	$71,500	$30,540	$96,860	$198,900
Key Employee Total:			$71,500	$23,400	$92,100	$187,000
Key Employee Percent:			100%	77%	95%	94%

1 Includes catch-up amount for people age 50 and older.

Fully Insured 412(e)(3) Defined Benefit Pension Plan

The 412(e)(3) Defined Benefit plan is suited to the established business that wishes to maximize contributions and tax deductions to a greater extent than might be possible in a Traditional Defined Benefit plan.

412(e)(3) plans provide each participant with a predetermined benefit amount that is fully insured by the purchase of life insurance contracts inside the plan. Other types of funding vehicles are not permitted in this type of plan.

There is no need for the services of an Enrolled Actuary for this plan, since it is funded entirely with insurance contracts.

A business that is not covered under the Pension Benefit Guaranty Corporation(PBGC) may have a Defined Benefit plan, 401(k) plan and a 6% of eligible payroll Profit-Sharing plan contribution. If the business is covered under the PBGC, the Profit-Sharing plan contribution can be up to 25% of eligible payroll.

Prospect Profile:

Plan Objectives – Fixed commitment and to favor older, highly compensated participants.

Census Demographics – Plan works best for one life or small employers (under 5 participants) where the non-highly compensated employees are much younger than the highly compensated employees to be favored.

Entity Types – All types.

Profitability of Business – High – for owners desiring contributions in excess of the greater of 25% of pay or the maximum amount based on annual IRS limit.

Income Demographics – Key employees, generally earn $100,000 or more.

Age Demographics – Benefits at retirement are based on a percentage of pay times years of service. The older the participant, the greater the cost to fund benefits and the greater the deductible plan cost. Key employees are within 5-10 years of retirement age.

Most Common Alternative Plan Type – Traditional Defined Benefit plan.

A Traditional Defined Benefit plan will not generate as high a deductible cost to fund benefits as a Fully Insured Defined Benefit plan will. Fully Insured plan funding is limited to either all annuity, or a combination of annuity and life insurance.

Notes:

Fully Insured 412(e)(3) Defined Benefit Pension Plan Example

Employee	Age	Average Salary	Annual Contribution w/ out Insurance	Annual Contribution w/ Insurance	Maximum Monthly Benefit	Insurance Death Benefit	Lump Sum at Retirement
Owner	55	$285,000	$280,845	$321,976	$10,866	$5,858,383	$2,663,235
Owner	50	$285,000	$182,536	$188,219	$10,866	$4,934,376	$2,663,235
Employee 1	37	$60,000	$23,857	$22,249	$2,835	$1,186,147	$694,853
Employee 2	33	$55,000	$18,740	$16,663	$2,598	$1,120,570	$636,765
Employee 3	49	$40,000	$29,610	$30,686	$1,890	$822,708	$463,235
Plan Total:		$725,000	$535,588	$579,793			
Key Employee Total:			$463,381	$510,195			
Key Employee Percent:			87%	88%			

Fully Insured Defined Benefit 412(e)(3) without Insurance
Benefit Formula: 250% of compensation for each year of participation less than 25 years

Insured Death Benefit: None

Normal Retirement Age: 65

Values based on FIT Secure Growth flexible premium annuity*

Fully Insured Defined Benefit 412(e)(3) with Insurance
Benefit Formula: 250% of compensation for each year of participation less than 25 years

Insured Death Benefit: Maximum life insurance using Revenue Rul. 74-307 death benefit. Rev. Rul. 74-307 uses 2/3rds of the theoretical uninsured cost of the plan to determine the amount of life insurance premium in the plan.

Normal Retirement Age: 65

Values based on NL Total Secure whole life and FIT Secure Growth flexible premium annuity*

*Fit Secure Growth form series 20375(0418)/ICC18-20375(0418)], issued by Life Insurance Company of the Southwest, Addison, TX. TotalSecure NL whole life insurance [form series 20536(0918)/ICC18-20536(0918)], standard non-smoker, unisex rates, max 2/3rd rule, issued by National Life Insurance Company, Montpelier, VT

Traditional Defined Benefit Pension Plan

Defined Benefit plans are an appropriate method for established businesses to provide employees with a specified level of benefits while maximizing tax deductions.

Defined Benefit plans provide a predetermined retirement benefit, partly based on age, service and salary. The benefit amount may also be integrated with Social Security.

An Enrolled Actuary annually determines the cost of funding the plan based on assumptions of future earnings, salary increases and other factors. Enrolled Actuary certification of the plan's funding is required each year.

A business that is not covered under the Pension Benefit Guaranty Corporation (PBGC) may have a defined benefit plan, 401(k) plan and a 6% of eligible payroll Profit-Sharing plan contribution. If the business is covered under the PBGC, the Profit-Sharing plan contribution can be up to 25% of eligible payroll.

Prospect Profile:

Plan Objectives – Fixed commitment and favor older, highly compensated participants.

Census Demographics – Plan works best for one life or small employers (under 20 participants) where the non-highly compensated employees are much younger than the highly compensated employees favored.

Entity Types – All types.

Profitability of Business – High – for owners desiring contributions in excess of the greater of 25% of pay or the maximum amount based on annual IRS limit.

Income Demographics/Age Demographics – Benefits at retirement are based on a percentage of pay times years of service. The older the participant, the greater the cost to fund benefits and the greater the deductible plan cost.

Most Common Alternative Plan Type – Fully Insured Defined Benefit.

A Traditional Defined Benefit Pension plan will not generate as high a deductible cost to fund benefits as a Fully Insured Defined Benefit plan will. Traditional Defined Benefit funding offers more investment choices than a Fully Insured Defined Benefit plan.

Notes:

Traditional Defined Benefit Pension Plan Example

Employee	Age	Average Salary	DB Plan Contribution w/out Insurance	*Recommended* DB Plan Contribution w/ Insurance	Maximum Monthly Benefit	Insurance Death Benefit
Owner	55	$285,000	$201,192	$287,037	$19,167	$4,018,885
Owner	50	$285,000	$110,233	$158,823	$19,167	$3,321,030
Employee 1	37	$60,000	$8,081	$12,167	$5,000	$552,251
Employee 2	33	$55,000	$5,437	$8,228	$4,583	$463,013
Employee 3	49	$40,000	$17,270	$24,847	$3,333	$540,075
Employee 4	57	$30,000	$33,155	$40,408	$2,000	$477,403
Plan Total:		$755,000	$375,368	$531,510		
Key Employee Total:			$311,425	$445,860		
Key Employee Percent:			83%	84%		

Plan I: Defined Benefit Actuarially Determined
Benefit Formula: 250% of compensation for each year of participation less than 25 years

Insured Death Benefit: None

Plan II: Defined Benefit Actuarially Determined
Benefit Formula: 250% of compensation for each year of participation less than 25 years Insured Death Benefit: Maximum life insurance using Revenue Rul. 74-307 death benefit. Rev. Rul. 74-307 uses 2/3rds of the theoretical uninsured cost of the plan to determine the amount of life insurance premium in the plan.

Values based on NL Total Secure whole life insurance and side fund[5]

5 TotalSecure NL whole life insurance [form series 20536(0918)/ICC18-20536(0918)], standard non-smoker, unisex rates, max 2/3rd rule, issued by National Life Insurance Company, Montpelier, VT, plus a side fund.

Defined Benefit Select Plan

The DB Select plan is a tiered Defined Benefit plan. This type of plan allows the business owner to place employees in different groupings to maximize benefits for the owner and minimize contributions for employees.

This type of plan is appropriate for the business that wants to cover all the employees in the plan, but reduce the cost of doing so. Or perhaps wants to reduce any contribution disparity among the employees caused by age differences, but still maximize the percentage of contribution for the business owner.

Defined Benefit plans provide a predetermined retirement benefit, partly based on age, service and salary. An Enrolled Actuary annually determines the cost of funding the plan based on assumptions of future earnings, salary increases and other factors. Enrolled Actuary certification of the plan's funding is required each year.*

A business that is not covered under the Pension Benefit Guaranty Corporation (PBGC) may have a Defined Benefit plan, 401(k) plan and a 6% of eligible payroll Profit-Sharing plan contribution. If the business is covered under the PBGC, the Profit-Sharing plan contribution can be up to 25% of eligible payroll.

Prospect Profile:

Plan Objectives – Fixed commitment and to favor older, highly compensated participants. Also, for businesses with owners or key employees of varying ages who want to equalize contributions.

Census Demographics – Plan works best for businesses of between 6-25 employees with low employee turnover where the non-highly compensated employees are much younger than the highly compensated employees favored.

Entity Types – All types.

Profitability of Business – High – for owners desiring contributions in excess of the greater of 25% of pay or the maximum amount based on annual IRS limit.

Income Demographics/Age Demographics – Benefits at retirement are based on a percentage of pay times years of service. The older the participant, the greater the cost to fund benefits and the greater the deductible plan cost.

Most Common Alternative Plan Type – Fully Insured Defined Benefit.

A Defined Benefit Select plan will not generate as high a deductible cost to fund benefits as a Fully Insured Defined Benefit plan will. DB Select funding offers more allocation choices than a Fully Insured Defined Benefit plan.

Notes:

*Design and illustration of a tiered defined benefit plan must be done by a Third Party Administrator. National Life insurance products may be used in the plan as incidental benefits if the plan document allows for life insurance.

Cash Balance Plan

The cash balance plan is similar to a Defined Benefit plan in that it follows many of the same rules as other Defined Benefit plans. In a cash balance plan, a hypothetical account balance is credited and the actual benefit at retirement is based on the accumulation of the contribution and interest credits.

This type of plan is appropriate for the business that wants to cover all the employees in the plan and reduce the cost of doing so. The plan is guaranteeing a percentage of pay at retirement.

An Enrolled Actuary annually determines the cost of funding the plan based on assumptions of future earnings, salary increases and other factors. Enrolled Actuary certification of the plan's funding is required each year.*

A business that is not covered under the Pension Benefit Guaranty Corporation (PBGC) may have a Defined Benefit plan, 401(k) plan and a 6% of eligible payroll Profit-Sharing plan contribution. If the business is covered under the PBGC, the Profit-Sharing plan contribution can be up to 25% of eligible payroll.

Prospect Profile:

Plan Objectives – To favor older, highly compensated participants. Also, for businesses with owners or key employees of varying ages who want to equalize contributions.

Census Demographics – Plan works best for businesses of between 10-100 employees where the non-highly compensated employees are much younger than the highly compensated employees to be favored.

Entity Types – All types.

Profitability of Business – High – for owners desiring contributions in excess of the greater of 25% of pay or the maximum amount based on annual IRS limit.

Income Demographics/Age Demographics – Benefits at retirement are based on a percentage of pay times years of service. The older the participant, the greater the cost to fund benefits and the greater the deductible plan cost.

A Cash Balance plan creates hypothetical individual accounts. Each account is credited with hypothetical contributions and interest, and no individual is limited by the IRS contribution limits. Some employees will receive a higher percentage of pay than others.

Notes:

*Design and illustration of a cash balance plan must be done by a Third Party Administrator. National Life insurance products may be used in the plan as incidental benefits if the plan document allows for life insurance.

Solo 401(k) Profit-Sharing Plan

The Solo 401(k) Profit-Sharing plan is available to businesses with only eligible highly compensated employees. There can be no eligible rank and file employees. This type of plan works best with a sole proprietor, a husband and wife, or a two-person partnership.

The Solo 401(k) Profit-Sharing plan is designed for salary deferrals only and, because of its design, highly compensated employees can make maximum 401(k) deferrals of the amount as determined by the IRS each year on a pre-tax or after-tax basis (or a combination of both). An additional deferral amount can be added for participants who are age 50 or older.

A business owner can contribute the maximum deferral to a 401(k), make a Profit-Sharing contribution up to 6% of eligible payroll and make a maximum contribution to a Defined Benefit plan. The deferral and plan contributions are all deductible.

Prospect Profile:

Highly compensated employees looking to contribute in excess of the 25% of payroll maximum tax deduction limit in a Profit-Sharing plan or contribute in excess of the maximum contribution to a Traditional or 412(e)(3) Defined Benefit plan.

Census Demographics – Businesses with no more than two highly compensated employees (based on the IRS definition for highly compensated employees).

Entity Types – All types.

Profitability of Business – Any income level.

Income Demographics – Must earn at least the deferral amount plus FICA.

Most Common Alternative Plan Type – SIMPLE-IRA for small employers.

Notes:

Notes:

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