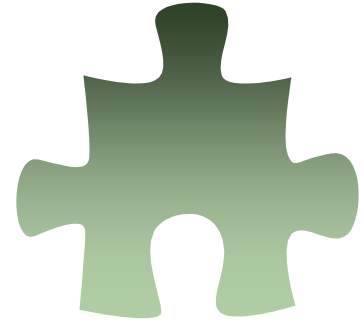


# 2020 Qualified Plan Quick Reference Guide



Individual Limits	
401(k) Employee Contributions	\$19,500
401(k) Employee Catch Up for Employees age 50 or older	Additional \$6,500
Profit Sharing Plan	100%* of pay up to \$57,000
Money Purchase Plan	100%* of pay up to \$57,000
Annual Additions Limit Includes Employee, employer and forfeitures; does not include Catch Up Contribution	100%* of pay up to \$57,000
*Not to Exceed Employer Plan Limits	57,000
Employer Plan Limits	
Profit Sharing Plan	25% of Eligible Payroll**
Money Purchase Plan	25% of Eligible Payroll**
**1/2 SECA Adjustment Required for Sole Proprietors and partnerships	
Participant Loan Limits	
If Plan Language Allows, Participant May Borrow	50% of Vested Account balance up to \$50,000
Repayment Requirements	Amortized Principle and Interest, at least quarterly payments  Reasonable Interest Rate Not to exceed 5 years (except for purchase of principal residence)



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*“Delivering creative solutions  
to business challenges using  
retirement planning  
strategies.”*

Keys & Highly Compensated Employees	
Key Employees: Used to Determine Top Heavy Status. A plan is top heavy if 60% or more of assets belong to Key Employees	During current plan year:  1) Officer and earning >\$185,000 (indexed) 2) > 5% Owner; or 3) > 1% owner and earning > \$150,000
Highly Compensated Employees: Used for discrimination testing	1) 5% Owner; in the current or preceding year 2) Compensation \$130,000 in 2020 for 2021 Testing
Due Dates & Limits	
Plan Establishment Due Date	By Fiscal Year End of the Plan Sponsor
Plan Contribution Due Date	Employer contributions: Tax Filing date plus extensions, not to exceed 8 1/2 months after the plan year end Employee Contributions: As early as possible but in no event later than within 7 days of withholding from employee pay
Forms 5500 Due Date	7 months after the plan year end (plus 2 1/2 month extension)
Defined Benefit Limit	\$230,000
Compensation Limit	\$285,000
FICA Taxable Wage Base	\$137,700

Maximum Contributions Cash Balance & 401k Profit Sharing Plan					
Age	Salary	Employee	*Profit Sharing	Cash Balance	Total
25	26,500	19,500	1,590	47,000	68,090
30	34,450	19,500	2,067	60,100	81,667
35	45,025	19,500	2,702	77,000	99,202
40	59,250	19,500	3,555	98,700	121,755
45	78,700	19,500	4,722	126,400	150,622
50	105,775	26,000	6,347	162,100	194,447
55	144,375	26,000	8,663	207,900	242,563
60	200,550	26,000	12,033	266,800	304,833
65	230,000	26,000	13,800	277,000	316,800
70	285,000	26,000	17,100	302,800	345,900

\* The Maximum profit sharing contribution is 6% of compensation.

Maximum Contributions Defined Benefit & 401k Profit Sharing Plan					
Age	Salary	Employee	*Profit Sharing	Defined Benefit	Total
25	230,000	19,500	13,800	59,000	92,300
30	230,000	19,500	13,800	74,000	107,300
35	230,000	19,500	13,800	91,000	124,300
40	230,000	19,500	13,800	114,000	147,300
45	230,000	19,500	13,800	152,000	185,300
50	230,000	26,000	13,800	185,000	224,800
55	230,000	26,000	13,800	224,000	263,800
60	230,000	26,000	13,800	228,000	267,800
65	285,000	26,000	17,100	277,000	320,100
70	285,000	26,000	17,100	232,000	275,100

\* The Maximum profit sharing contribution is 6% of compensation.

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### Pension Strategies

Pension Strategies is part of FuturePlan by Ascensus and is an industry leader in delivering creative solutions to business challenges using retirement planning strategies. We are known throughout the industry for our professionalism, in-depth knowledge base, commitment to service and responsive solutions.



### Professional Teamwork

Pension Strategies' senior-level professionals are involved in our clients' plan management every day, but we know success takes a team. We work closely with accountants, attorneys, investment professionals and office personnel, to create a smooth plan installation process and on-going plan execution.



### Progressive Thinking

At Pension Strategies, we provide invaluable counsel to our clients and industry partners. At part of a national firm, we have direct access to the latest technologies that provide real-time reporting capabilities. In addition, we have our finger on industry trends and upcoming legislation that may affect our clients' plans.



### Exceptional Service

Our clients and business partners expect exceptional service and Pension Strategies exceeds these expectations daily. We deliver on this promise in every interaction from our initial meeting and personalized recommendations, to the ongoing day-to-day plan maintenance and administration.

	Profit Sharing	401(k) Profit Sharing	Defined Benefit / Cash Balance
<b>Plan Description</b>	A profit sharing plan is a flexible and popular plan option. The combination of profit sharing and vesting rewards long-term employees enhancing employee satisfaction.	A 401(k) plan is simply a profit sharing plan that allows contributions from employees. Employees contribute to the plan by making salary reductions from their paychecks.	A defined benefit plan and a cash balance plan are true "pension plans" that provides the greatest ability to design larger contributions that favor older or highly paid employees.
<b>Who Can Adopt?</b>	<ul style="list-style-type: none"> <li>~Corporations</li> <li>~Sole Props</li> <li>~LLCs</li> <li>~Partnerships</li> <li>~Non-Profits</li> </ul>	<ul style="list-style-type: none"> <li>~Corporations</li> <li>~Sole Props</li> <li>~LLCs</li> <li>~Partnerships</li> <li>~Non-Profits</li> </ul>	<ul style="list-style-type: none"> <li>~Corporations</li> <li>~Sole Props</li> <li>~LLCs</li> <li>~Partnerships</li> <li>~Non-Profits</li> </ul>
<b>Who Is Eligible?</b>	Range from immediate to maximum of 2 years of service (immediate vesting) and age 21. May require 1,000 hours of service.	Range from immediate eligibility to maximum of 1 year of service and age 21. May require 1,000 hours of service.	Range from immediate to maximum of 2 years of service (immediate vesting) and age 21. May require 1,000 hours of service.
<b>When Must Plan Be Established?</b>	By the fiscal year end (12/31 - calendar year) of the sponsor	By the fiscal year end (12/31 calendar year) of the sponsor (safe harbor provisions must be adopted 3 months prior to year end)	By the fiscal year end (12/31 - calendar year) of the sponsor
<b>Employee Contributions</b>	No Employee Contributions	2020 Limit \$19,500 Catch Up Limit \$6,500 (For age 50 or older) (2020)	No Employee Contributions
<b>Employer Contributions</b>	Up to 25% of pay for all eligible participants. Limited to lesser of \$56,000 or 100% of pay per participant (2019)	Up to 25% of pay for all eligible participants. Limited to lesser of \$57,000 or 100% of pay per participant (not including Catch Up) (2019)	Variable based on actuarial provisions and factors such as: ~age ~compensation ~benefit formula
<b>What Are the Advantages?</b>	<p>Discretionary &amp; flexible contributions 4 design options:</p> <ul style="list-style-type: none"> <li>~Pro-rata: same percent to all eligible;</li> <li>~Integrated: higher wage earners receive higher percent of pay;</li> <li>~Age-based: higher wage earners and older employees receive higher contribution</li> <li>~Cross tested: groups of employees can receive different amounts of contributions.</li> </ul>	<p>401(k)'s are popular with employees because they provide an efficient tax advantaged way to save for retirement. They are excellent employee benefit tools as a way to attract and retain employees. Any of the 4 profit sharing allocation methods can be used in a 401(k) plan.</p> <p>Safe Harbor Options to Avoid Discrimination Testing are:</p> <ul style="list-style-type: none"> <li>~Match of 100% on the first 3% plus 50% of the next 2%; or</li> <li>~Profit Sharing of 3% to all eligible employees.</li> </ul> <p>Both options are 100% vested.</p>	<p>A defined benefit plan or a cash balance plan often allow larger contributions than other types of plans. They are excellent vehicles for increased retirement savings and tax planning strategies.</p>
<b>What options are available?</b>	<ul style="list-style-type: none"> <li>~Loans</li> <li>~Vesting Schedule</li> <li>~Any size group</li> <li>~Trustee or Participant Directed Investments</li> <li>~Participant bears Investment Risk</li> </ul>	<ul style="list-style-type: none"> <li>~Loans</li> <li>~Vesting Schedule</li> <li>~Any size group</li> <li>~Trustee or Participant Directed Investments</li> <li>~Matching Available</li> <li>~Participant bears Investment Risk</li> </ul>	<ul style="list-style-type: none"> <li>~Loans</li> <li>~Vesting Schedule</li> <li>~Any size group</li> <li>~Trustee Directed Investments</li> <li>~Company bears Investment Risk</li> </ul>