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Sample Employer, Inc.

# Sample QuickPlan Presentation



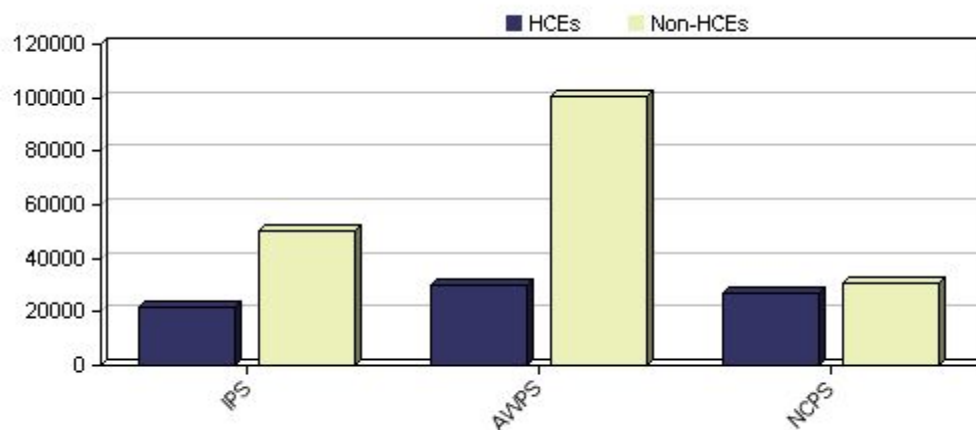
Pension Dollars



# Sample Employer, Inc.

# Sample QuickPlan Presentation Profit Sharing Plan Comparison

## Plan Allocation Comparison



## Legend

IPS	Integrated Plan
AWPS	Age Weighted Plan
NCPS	New Comparability Plan

## Plan Comparison Summary

	Income	IPS	AWPS	NCPS
<b>HCEs</b>	\$142,500 26.11%	\$22,036.20 30.41%	\$30,000.00 22.93%	\$26,718.75 46.34%
<b>Non-HCEs</b>	\$403,354 73.89%	\$50,419.25 69.59%	\$100,838 77.07%	\$30,937.25 53.66%
<b>Total</b>	<b>\$545,854</b>	<b>\$72,455.45</b>	<b>\$130,838</b>	<b>\$57,656.00</b>

## Goals

- Minimize Employer Contribution
- Favor owner / select employees
- Minimize contribution to rank and file employees



**Gold Plan**



**Silver Plan**



**Bronze Plan**

NCPS

IPS

AWPS

NCPS

IPS

AWPS

Sample Employer, Inc.

Sample QuickPlan Presentation  
**Plan Comparative Analysis**

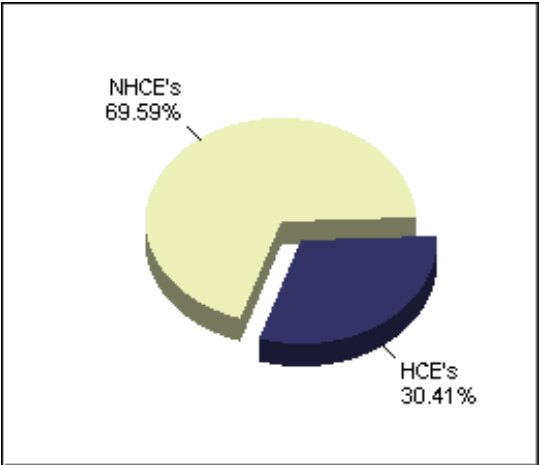
<b>Name</b>	<b>Age</b>	<b>Income</b>	<b>Integrated</b>	<b>Age Weighted</b>	<b>New Comp</b>
ERICKSON, J	40	\$142,500.00	\$22,036.20	\$30,000.00	\$26,718.75
<b>HC Total</b>		<b>\$142,500.00</b>	<b>\$22,036.20</b>	<b>\$30,000.00</b>	<b>\$26,718.75</b>
CONRAD, M	40	\$40,000.00	\$5,000.00	\$10,000.00	\$3,068.00
DODGE, R	40	\$40,000.00	\$5,000.00	\$10,000.00	\$3,068.00
FRANK, T	79	\$47,800.00	\$5,975.00	\$11,950.00	\$3,666.26
GREGSON, K	48	\$32,090.00	\$4,011.25	\$8,022.50	\$2,461.30
HUGHES, J	40	\$19,500.00	\$2,437.50	\$4,875.00	\$1,495.65
INEZ, S	28	\$16,000.00	\$2,000.00	\$4,000.00	\$1,227.20
JACOBS, J	28	\$10,400.00	\$1,300.00	\$2,600.00	\$797.68
LARSON, C	35	\$23,000.00	\$2,875.00	\$5,750.00	\$1,764.10
LARSON, S	40	\$14,464.00	\$1,808.00	\$3,616.00	\$1,109.39
LARSON, P	51	\$29,700.00	\$3,712.50	\$7,425.00	\$2,277.99
NOONAN, J	41	\$31,000.00	\$3,875.00	\$7,750.00	\$2,377.70
OSMONE, O	35	\$22,000.00	\$2,750.00	\$5,500.00	\$1,687.40
PAULIE, P	36	\$21,400.00	\$2,675.00	\$5,350.00	\$1,641.38
QUESANT, C	41	\$56,000.00	\$7,000.00	\$14,000.00	\$4,295.20
<b>Non HC Total</b>		<b>\$403,354.00</b>	<b>\$50,419.25</b>	<b>\$114,838.50</b>	<b>\$30,937.25</b>
<b>Total</b>		<b>\$545,854.00</b>	<b>\$72,455.45</b>	<b>\$144,838.50</b>	<b>\$57,656.00</b>
<b>HC %</b>		<b>26.11%</b>	<b>30.41%</b>	<b>20.71%</b>	<b>46.34%</b>
<b>Non HC %</b>		<b>73.89%</b>	<b>69.59%</b>	<b>79.29%</b>	<b>53.66%</b>

Sample QuickPlan Presentation  
**Plan Information**

Sample Employer, Inc.

**Integrated Plan**

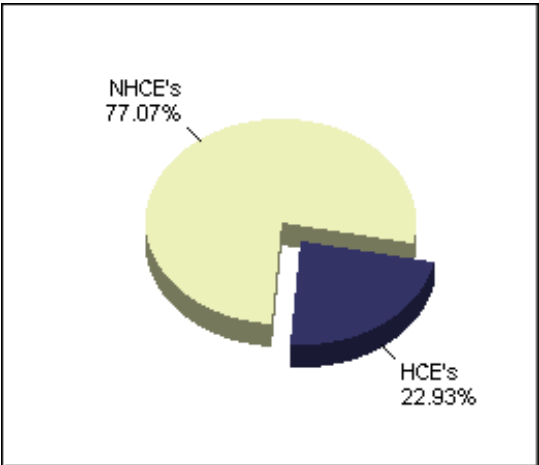
A plan integrated with social security benefits can provide for contributions and benefits which favor highly paid employees as long as the plan complies with rules which limit the disparity above and below a specified level and provides some minimum benefit for all employees.



**Age Weighted Plan**

The age-weighted method allocates contributions based on both the age and compensation of eligible employees. It is similar to a defined benefit pension plan, only with discretionary contributions. Since the participants age, or length of time until retirement, is factored into the allocation formula, older participants receive a larger proportionate share of the contribution. This can be advantageous in a situation where the key employees are significantly older than the other employees.

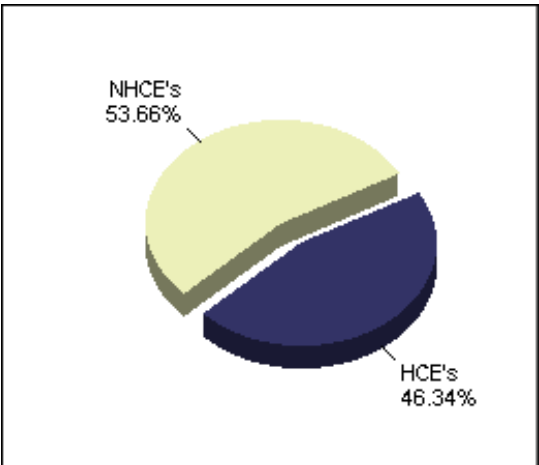
In certain situations, an age-weighted plan design works extremely well, but a possible drawback could be employees with the same salaries receiving different allocations, based on age. Also, an older non-principal employee may receive a larger share than a younger principal.



**New Comparability Plan**

The comparability, or cross-tested, allocation method allows the employer to divide the employees into different classifications for purposes of allocating the contribution. If non-discrimination requirements are met, a larger share of the company's contribution may be made on behalf of those employees to whom the employer wishes to provide a more significant benefit.

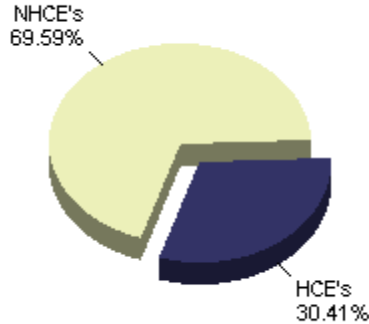
The non-discrimination testing, like an age-weighted plan, is based on projected benefits at retirement, similar to a defined benefit plan. If the aggregated age of the preferred class is higher than the other classes, the allocation of current dollars can be skewed proportionately toward the older group.



# Sample Employer, Inc.

# Sample QuickPlan Presentation Integrated Plan

## Compensation Distribution



## Plan Summary

	Income	Contribution	Income %	Contrib %
Highly Comp.	\$142,500.00	\$22,036.20	26.11%	30.41%
Non HCE	\$403,354.00	\$50,419.25	73.89%	69.59%
<b>Total</b>	<b>\$545,854.00</b>	<b>\$72,455.45</b>		
<b>Total Contribution</b>		<b>\$72,455.45</b>		
<b>% of Eligible Compensation</b>				<b>13.27%</b>

## Plan Description

A plan integrated with social security benefits can provide for contributions and benefits which favor highly paid employees as long as the plan complies with rules which limit the disparity above and below a specified level and provides some minimum benefit for all employees.

## Plan Specifications

Effective Date	1/1/2000
Eligibility	Waived

## Tips and Recommendations



Favors higher paid employees by providing an additional share of the contribution to be based on compensation that would otherwise accrue minimal Social Security benefits or none at all.



Needs annual monitoring.



The company contribution can be discretionary from year to year, in terms of whether to contribute and how much, up to prescribed limits.

Sample Employer, Inc.

Sample QuickPlan Presentation  
**Integrated Plan**

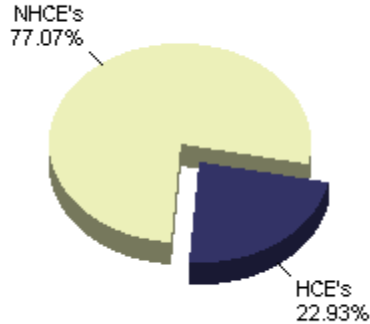
Name	Age	Income	Contribution	% of Income	% of Budget	Account Value @65*
ERICKSON, J	40	\$142,500.00	\$22,036.20	15.46%	30.41%	\$1,610,321.78
<b>HC Total</b>		<b>\$142,500.00</b>	<b>\$22,036.20</b>			
CONRAD, M	40	\$40,000.00	\$5,000.00	12.50%	6.90%	\$365,381.01
DODGE, R	40	\$40,000.00	\$5,000.00	12.50%	6.90%	\$365,381.01
FRANK, T	79	\$47,800.00	\$5,975.00	12.50%	8.25%	\$6,423.13
GREGSON, K	48	\$32,090.00	\$4,011.25	12.50%	5.54%	\$139,099.67
HUGHES, J	40	\$19,500.00	\$2,437.50	12.50%	3.36%	\$178,123.24
INEZ, S	28	\$16,000.00	\$2,000.00	12.50%	2.76%	\$387,713.83
JACOBS, J	28	\$10,400.00	\$1,300.00	12.50%	1.79%	\$252,013.99
LARSON, C	35	\$23,000.00	\$2,875.00	12.50%	3.97%	\$319,568.78
LARSON, S	40	\$14,464.00	\$1,808.00	12.50%	2.50%	\$132,121.77
LARSON, P	51	\$29,700.00	\$3,712.50	12.50%	5.12%	\$93,251.93
NOONAN, J	41	\$31,000.00	\$3,875.00	12.50%	5.35%	\$259,539.21
OSMONE, O	35	\$22,000.00	\$2,750.00	12.50%	3.80%	\$305,674.48
PAULIE, P	36	\$21,400.00	\$2,675.00	12.50%	3.69%	\$273,918.40
QUESANT, C	41	\$56,000.00	\$7,000.00	12.50%	9.66%	\$468,845.03
<b>Non HC Total</b>		<b>\$403,354.00</b>	<b>\$50,419.25</b>			
<b>Total</b>		<b>\$545,854.00</b>	<b>\$72,455.45</b>			
<b>HC %</b>		<b>26.11%</b>	<b>30.41%</b>			
<b>Non HC %</b>		<b>73.89%</b>	<b>69.59%</b>			

\* Assumes this year's contribution invested now at 7.50% interest.

# Sample Employer, Inc.

## Sample QuickPlan Presentation Age Weighted Plan

### Compensation Distribution



### Plan Summary

	Income	Contribution	Income %	Contrib %
Highly Comp.	\$142,500.00	\$30,000.00	26.11%	22.93%
Non HCE	\$403,354.00	\$100,838.50	73.89%	77.07%
Total	\$545,854.00	\$130,838.50		
<b>Total Contribution</b>		<b>\$130,838.50</b>		
<b>% of Eligible Compensation</b>		<b>23.97%</b>		

### Plan Description

The age-weighted method allocates contributions based on both the age and compensation of eligible employees. It is similar to a defined benefit pension plan, only with discretionary contributions. Since the participants age, or length of time until retirement, is factored into the allocation formula, older participants receive a larger proportionate share of the contribution. This can be advantageous in a situation where the key employees are significantly older than the other employees.

In certain situations, an age-weighted plan design works extremely well, but a possible drawback could be employees with the same salaries receiving different allocations, based on age. Also, an older non-principal employee may receive a larger share than a younger principal.

### Plan Specifications

Effective Date	1/1/2000
Eligibility	Waived
Interest Rate	7.50%
Annuity Purchase Rate	95.28

### Tips and Recommendations



Employers can maximize contributions to older employees.



An older non-principal employee may receive a larger share than a younger principal.



The company contribution can be discretionary from year to year, in terms of whether to contribute and how much, up to prescribed limits.



May have higher administrative cost.

Sample Employer, Inc.

Sample QuickPlan Presentation  
**Age Weighted Plan**

Name	Age	Income	Contribution	% of Income	% of Budget	Account Value @65*	EBAR
ERICKSON, J	40	\$142,500.00	\$30,000.00	21.05%	24.75%	\$2,192,286.03	15.18%
<b>HC Total</b>		<b>\$142,500.00</b>	<b>\$30,000.00</b>				
CONRAD, M	40	\$40,000.00	\$10,000.00	25.00%	8.25%	\$730,762.01	18.03%
DODGE, R	40	\$40,000.00	\$10,000.00	25.00%	8.25%	\$730,762.01	18.03%
FRANK, T	79	\$47,800.00	\$11,950.00	25.00%	9.86%	\$12,846.25	3.18%
GREGSON, K	48	\$32,090.00	\$8,022.50	25.00%	6.62%	\$278,199.34	10.11%
HUGHES, J	40	\$19,500.00	\$4,875.00	25.00%	4.02%	\$356,246.48	18.03%
INEZ, S	28	\$16,000.00	\$4,000.00	25.00%	3.30%	\$775,427.65	42.94%
JACOBS, J	28	\$10,400.00	\$2,600.00	25.00%	2.14%	\$504,027.97	42.94%
LARSON, C	35	\$23,000.00	\$5,750.00	25.00%	4.74%	\$639,137.56	25.88%
LARSON, S	40	\$14,464.00	\$3,616.00	25.00%	2.98%	\$264,243.54	18.03%
LARSON, P	51	\$29,700.00	\$7,425.00	25.00%	6.13%	\$186,503.86	8.14%
NOONAN, J	41	\$31,000.00	\$7,750.00	25.00%	6.39%	\$519,078.43	16.77%
OSMONE, O	35	\$22,000.00	\$5,500.00	25.00%	4.54%	\$611,348.97	25.88%
PAULIE, P	36	\$21,400.00	\$5,350.00	25.00%	4.41%	\$547,836.80	24.08%
QUESANT, C	41	\$56,000.00	\$14,000.00	25.00%	11.55%	\$937,690.06	16.77%
<b>Non HC Total</b>		<b>\$403,354.00</b>	<b>\$114,838.50</b>				
<b>Total</b>		<b>\$545,854.00</b>	<b>\$144,838.50</b>				
<b>HC %</b>		<b>26.11%</b>	<b>20.71%</b>				
<b>Non HC %</b>		<b>73.89%</b>	<b>79.29%</b>				

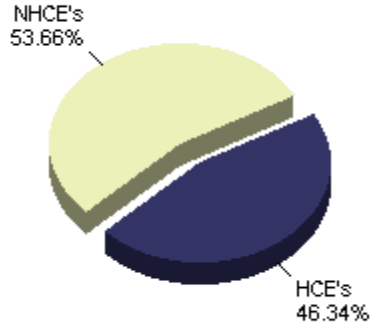
\* Assumes this year's contribution invested now at 7.50% interest.



# Sample Employer, Inc.

# Sample QuickPlan Presentation New Comparability Plan

## Compensation Distribution



## Plan Summary

	Income	Contribution	Income %	Contrib %
Highly Comp.	\$142,500.00	\$26,718.75	26.11%	46.34%
Non HCE	\$403,354.00	\$30,937.25	73.89%	53.66%
Total	\$545,854.00	\$57,656.00		
<b>Total Contribution</b>		<b>\$57,656.00</b>		
<b>% of Eligible Compensation</b>				<b>10.56%</b>

## Plan Description

The comparability, or cross-tested, allocation method allows the employer to divide the employees into different classifications for purposes of allocating the contribution. If non-discrimination requirements are met, a larger share of the company's contribution may be made on behalf of those employees to whom the employer wishes to provide a more significant benefit.

The non-discrimination testing, like an age-weighted plan, is based on projected benefits at retirement, similar to a defined benefit plan. If the aggregated age of the preferred class is higher than the other classes, the allocation of current dollars can be skewed proportionately toward the older group.

## Plan Specifications

Effective Date	1/1/2000
Eligibility	Waived
Interest Rate	7.50%
Annuity Purchase Rate	95.28
Group A	18.75%
Group B	7.67%

## Tips and Recommendations



Employers can maximize contributions to key employees and owners while minimizing contribution to other employees.



May require complex actuarial calculations and compliance issues.



The company contribution can be discretionary from year to year, in terms of whether to contribute and how much, up to prescribed limits.



May have higher administrative cost.

Sample Employer, Inc.

Sample QuickPlan Presentation  
**New Comparability Plan**

Name	Age	Income	Contribution	% of Income	% of Budget	Account Value @65*	EBAR
ERICKSON, J	40	\$142,500.00	\$26,718.75	18.75%	46.34%	\$1,952,504.75	13.52%
<b>HC Total</b>		<b>\$142,500.00</b>	<b>\$26,718.75</b>				
CONRAD, M	40	\$40,000.00	\$3,068.00	7.67%	5.32%	\$224,197.79	5.54%
DODGE, R	40	\$40,000.00	\$3,068.00	7.67%	5.32%	\$224,197.79	5.54%
FRANK, T	79	\$47,800.00	\$3,666.26	7.67%	6.36%	\$3,941.23	0.98%
GREGSON, K	48	\$32,090.00	\$2,461.30	7.67%	4.27%	\$85,351.56	3.11%
HUGHES, J	40	\$19,500.00	\$1,495.65	7.67%	2.59%	\$109,296.42	5.54%
INEZ, S	28	\$16,000.00	\$1,227.20	7.67%	2.13%	\$237,901.20	13.18%
JACOBS, J	28	\$10,400.00	\$797.68	7.67%	1.38%	\$154,635.78	13.18%
LARSON, C	35	\$23,000.00	\$1,764.10	7.67%	3.06%	\$196,087.40	7.94%
LARSON, S	40	\$14,464.00	\$1,109.39	7.67%	1.92%	\$81,069.92	5.54%
LARSON, P	51	\$29,700.00	\$2,277.99	7.67%	3.95%	\$57,219.38	2.50%
NOONAN, J	41	\$31,000.00	\$2,377.70	7.67%	4.12%	\$159,253.26	5.15%
OSMONE, O	35	\$22,000.00	\$1,687.40	7.67%	2.93%	\$187,561.86	7.94%
PAULIE, P	36	\$21,400.00	\$1,641.38	7.67%	2.85%	\$168,076.33	7.39%
QUESANT, C	41	\$56,000.00	\$4,295.20	7.67%	7.45%	\$287,683.31	5.15%
<b>Non HC Total</b>		<b>\$403,354.00</b>	<b>\$30,937.25</b>				
<b>Total</b>		<b>\$545,854.00</b>	<b>\$57,656.00</b>				
<b>HC %</b>		<b>26.11%</b>	<b>46.34%</b>				
<b>Non HC %</b>		<b>73.89%</b>	<b>53.66%</b>				

\* Assumes this year's contribution invested now at 7.50% interest.

# Sample Employer, Inc. Compliance Analysis

## Accrual Rate Analysis

Name	Income	Contribution	EBAR	Allocation Group
ERICKSON, J	\$142,500.00	\$26,718.75	13.52%	A
CONRAD, M	\$40,000.00	\$3,068.00	5.54%	B
DODGE, R	\$40,000.00	\$3,068.00	5.54%	B
FRANK, T	\$47,800.00	\$3,666.26	0.98%	B
GREGSON, K	\$32,090.00	\$2,461.30	3.11%	B
HUGHES, J	\$19,500.00	\$1,495.65	5.54%	B
INEZ, S	\$16,000.00	\$1,227.20	13.18%	B
JACOBS, J	\$10,400.00	\$797.68	13.18%	B
LARSON, C	\$23,000.00	\$1,764.10	7.94%	B
LARSON, S	\$14,464.00	\$1,109.39	5.54%	B
LARSON, P	\$29,700.00	\$2,277.99	2.50%	B
NOONAN, J	\$31,000.00	\$2,377.70	5.15%	B
OSMONE, O	\$22,000.00	\$1,687.40	7.94%	B
PAULIE, P	\$21,400.00	\$1,641.38	7.39%	B
QUESANT, C	\$56,000.00	\$4,295.20	5.15%	B

### Ratio Percentage Test

Ratio of Non-Highly Compensated Group	100.00%
Ratio of Highly Compensated Group	100.00%
Overall Ratio	100.00%

### Average Benefit Percentage Test

Average Benefit % of the Non-Highly Compensated Group	6.33%
Average Benefit % of the Highly Compensated Group	13.52%
The Average Benefit Percentage Ratio	47.00%
The Average Benefit % Ratio must equal to greater the 70%	FAIL

# Sample Employer, Inc. Compliance Analysis

Rate Group: ERICKSON, J

Name	Income	Contribution	EBAR	Allocation Group
ERICKSON, J	\$142,500.00	\$26,718.75	13.52%	A

Ratio Percentage Test

Ratio of Non-Highly Compensated Group	0.00%
Ratio of Highly Compensated Group	100.00%
Overall Ratio	0.00%

Average Benefit Percentage Test

Average Benefit % of the Non-Highly Compensated Group	0.00%
Average Benefit % of the Highly Compensated Group	13.52%
The Average Benefit Percentage Ratio	0.00%
The Average Benefit % Ratio must equal to greater the 70%	FAIL

The Concentration of NHCE (NCECP)	93.33%
Midpoint %	22.63%
The Overall Ratio % must be equal to or greater than the Midpoint %	FAIL