Presenter,

Welcome to:
Greater Tax Savings using Cash Balance Plans

Presented by
Lighthouse Consulting Services, LLC

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Today's Goals

Show you how to:

- Reduce your tax liability
- Squeeze 20 years of retirement savings into 10 years
- Attract and retain top talent with enhanced retirement benefits

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
**Why Cash Balance and Why Now?**

<table>
<thead>
<tr>
<th>Rates</th>
<th>2012</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment tax*</td>
<td>0%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Highest income tax</td>
<td>35%</td>
<td>39.6%</td>
</tr>
<tr>
<td>Medicare tax**</td>
<td>2.9%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Capital gains/Dividend tax</td>
<td>15%</td>
<td>23.8%</td>
</tr>
</tbody>
</table>

* Investment Income tax on all unearned income (interest, dividends, gains, rents & royalties, etc.)
** Medicare tax for individuals is 1.45%. Most company structures require an Employer matching amount of 1.45%. Most of these taxes applied on high wage earners earning >$250k, AGI, filing jointly.

---

**Featured Guest:**
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedsdesign.com
Book: Beyond the 401(k)

**Host:**
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
**Why Cash Balance and Why Now?**

**Above The Line Deductions**
Most desirable type of deduction - Reduces AGI
- Qualified Retirement Plan Contributions

**Below The Line Deductions**
Many limitations - Subject to phaseouts.*
- Charitable Contributions
- State Tax
- Property Taxes
- Mortgage Interest

*Subject to phase outs based on income > $250,000(Single) or >$300,000(Married filing jointly)
### Why Cash Balance and Why Now?

<table>
<thead>
<tr>
<th>Age</th>
<th>Profit Sharing</th>
<th>Cash Balance</th>
<th>Total</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-65</td>
<td>$ 57,500</td>
<td>$ 230,000</td>
<td>$ 287,500</td>
<td>$ 115,000</td>
</tr>
<tr>
<td>55-59</td>
<td>$ 57,500</td>
<td>$ 185,000</td>
<td>$ 242,500</td>
<td>$ 97,000</td>
</tr>
<tr>
<td>50-54</td>
<td>$ 57,500</td>
<td>$ 141,000</td>
<td>$ 198,500</td>
<td>$ 79,400</td>
</tr>
<tr>
<td>45-49</td>
<td>$ 52,000</td>
<td>$ 108,000</td>
<td>$ 160,000</td>
<td>$ 64,000</td>
</tr>
<tr>
<td>40-44</td>
<td>$ 52,000</td>
<td>$ 83,000</td>
<td>$ 135,000</td>
<td>$ 54,000</td>
</tr>
</tbody>
</table>

*Assuming 40% tax bracket, taxes are deferred

Lifetime limit = $2,500,000

---

**Featured Guest:**
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com

**Book:** Beyond the 401(k)

**Host:**
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code

(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
The 21st Century Hybrid Cash Balance has the key advantage of a defined benefit plan:

- High tax-deferred contributions: $2.6 lifetime limit

Combined with the best features of a 401(k) Profit Sharing Plan:

- Flexibility
- Portability
- Simplicity

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedefinition.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Evolution of Cash Balance

- **1985** - Bank of America adopts first plan approved by the IRS
- **Pension Protection Act of 2006** - Congress and the President draft legislation clarifying Cash Balance plans
- **10/19/10** - Department of Treasury issues final regulations on Cash Balance Plans

**Featured Guest:**
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com

**Book:** Beyond the 401(k)

**Host:**
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Basic Features You Need to Know

- Flexible Among Shareholders
- Plan Assets Are Portable (roll over to IRA)
- Account Balances
- Contribution amounts can change, but use caution.
- Assets Are Creditor Protected

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com

CALL US
1-310-453-6556

FOLLOW US
in

Copyright 2014. Lighthouse Consulting Services LLC. All Rights Reserved.
What if the Cash Flow Decreases?

- Reduce 401(k) and/or Profit Sharing Contribution
- Amend plan to change contribution amounts
- Freeze plan

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Withdrawal Options:

- Age 62
- Termination of employment
- Retirement
- Death
- Disability
- Plan Termination

Featured Guest:

Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:

Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Interest Crediting Rate Options:

- Safe Harbor Rates - 30 Year Treasury
- Fixed Rate
- Equity Based Rates
- Actual Rate of Return

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
The Give to Get

- 401(k)-
  - $23,000 for owners

- Add Safe Harbor-
  - 9% of pay to owners
  - 3% of pay to staff

- Maximize Profit Sharing-
  - $34,500 for owners
  - 5% of pay to staff

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
The Give to Get

- Add Cash Balance
  - Extra $50,000 for owner
  - Around only $700 each to staff

- Maximize Cash Balance
  - Up to $241,000 for owner in Cash Balance
  - Give 7.5% of pay to staff

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Small Business Drive Growth

- 87% of Cash Balance Plans are in place at firms with fewer than 100 employees.
- The highest growth over the past 5 years has been in companies with fewer than 25 employees.

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Why So Appealing to Small Business?

- Cost efficiency and tax efficiency
- Age-weighted contribution limits
- Asset protection
- Attracting and retaining key employees
- Succession planning for family businesses
Cash Balance Growth: 2001-2013

- **2001** – 1,337 plans
- **2005** – 3,174 plans
- **2009** – 5,840 plans
- **2013** – **11,095 plans**

***Featured Guest:***
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com
Book: Beyond the 401(k)

***Host:***
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com

CALL US 1-310-453-6556
FOLLOW US in
About Kravitz

- Founded October 15, 1977
- Los Angeles & New York + 7 satellite offices
- 1,200+ clients including 500+ Cash Balance plans
- National leader in Cash Balance Plans since 1989
- Wrote the book on Cash Balance Plans
- www.cashbalancedesign.com

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Conclusion

Now you know how to:

- Reduce your tax liability
- Squeeze 20 years of retirement savings into 10 years
- Attract and retain top talent with enhanced retirement benefits

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalancedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com
Thank you for attending
Greater Tax Savings using Cash Balance Plans

Click Here to contact our Featured Guest directly.
Click on this link to sign up for our upcoming Open Line:
Game Changing Advisory Boards

Presented by
Lighthouse Consulting Services, LLC

Featured Guest:
Dan Kravitz, President
Kravitz, Inc.
818-379-6162
dkravitz@kravitzinc.com
www.cashbalanacedesign.com
Book: Beyond the 401(k)

Host:
Dana Borowka, MA
CEO, Lighthouse Consulting Services, LLC
Author of Cracking The Personality Code
(310) 453-6556, ext. 403
dana@lighthouseconsulting.com