

Online Access to Cash Balance Accounts, 24/7

Kravitz is pleased to introduce the nation's first-ever Cash Balance Portal, an enhanced service for all our clients. This innovative, intuitive portal gives participants, plan sponsors and advisors instant access to Cash Balance accounts, updated daily. While daily access has been available to 401(k) plans for many years, the complexity and actuarial requirements of Cash Balance Plans were barriers to online access. Kravitz has developed a custom software solution to overcome these limitations.

Simplicity & Clarity: The Kravitz Cash Balance Portal Makes Life Easier

- ✔ Simplified online administration for plan sponsors
- ✔ 24/7 access to Cash Balance Plan balances and account information
- ✔ Instant electronic distribution of plan notices, forms and participant communications
- ✔ Streamlined, simple way for participants to update personal information, request withdrawals, change beneficiary designation and other details
- ✔ Enhanced experience for plan participants: being able to see their money daily and create on-demand statements
- ✔ Three custom-designed portals for the participant, plan sponsor, and advisor



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Many business owners, professional partners and senior managers wish to increase their pre-tax retirement contributions. But there are IRS limits of \$18,000 in 401(k) plans and \$53,000 in Profit Sharing plans... What if you could do much more?

Examples of pre-tax contributions:

A 45-year-old business owner could contribute \$155,000 to his retirement plans.

A 55-year-old professional could contribute \$234,000 to her retirement plans.

The actual contribution amount is dependent on IRS compliance testing.

2015 Maximum Contributions for 401(k) Profit Sharing & Cash Balance Plans

Age	401(k) only	401(k) with Profit Sharing	Cash Balance	TOTAL
60 - 65	\$24,000	\$59,000	\$242,000	\$301,000
55 - 59	\$24,000	\$59,000	\$195,000	\$254,000
50 - 54	\$24,000	\$59,000	\$149,000	\$208,000
45 - 49	\$18,000	\$53,000	\$114,000	\$167,000
40 - 44	\$18,000	\$53,000	\$ 87,000	\$140,000
35 - 39	\$18,000	\$53,000	\$ 66,000	\$119,000
30 - 34	\$18,000	\$53,000	\$ 51,000	\$104,000

WHAT IS A

Cash Balance Plan?

Sample Participant Statement

Period of 1/1/2014 through 12/31/2014

John Doe
4944 Lombardy Drive
Los Angeles, CA 90605

Beginning account balance..... \$143,549.00

2014 Employer Contribution..... \$100,000.00

2014 Interest Credit..... \$9,741.96

Ending account balance..... \$253,290.96

Vested Percent on 12/31/14 100%

Vested Balance on 12/31/14..... \$253,290.96

Cash balance plans resemble 401(k)/Profit Sharing plans, with some key differences. The advantage is that they combine the high contribution amounts of a defined benefit plan with some of the flexibility and the portability of 401(k)/Profit Sharing plans. Some of the key features are outlined below.

1. **Individual Accounts.** Participants have their own individual accounts. All participant accounts are maintained by the plan actuary who generates an annual "Participant Statement."

2. **Annual employer contribution.** The account is credited annually with an employer contribution which is determined by a formula specified in the Plan Document. The amount is typically a percentage of salary, although it may also be a flat dollar amount.

3. **Interest credit.** Because it is a defined benefit, the interest credit is guaranteed and is not dependent on the plan's investment performance. The guaranteed rate can be tied to an outside index, such as the 30-year Treasury rate, typically in the range of 4 to 5%. **All accounts are invested collectively by the Plan Trustee in one pooled account.**

4. **Accounts are portable.** When an employee leaves an employer, the vested portion of the account can be taken as a lump sum or rolled over to an IRA.