

2023 Retirement Program Proposal

Mike's Consulting, Inc.

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2023 Contribution Allocation

Maximize Qualified Plan Contributions

Contributions for 2023 Plan Year												
						(A)	(B)	(C)	(D)	(E)		
						Defined	401(k) Profit Sharing Plan Contributions					
Name	Date of Birth	Date of Hire	Compensation	Pensionable compensation	Benefit Plan Contribution	Employee Deferrals	Employee Catch-up	Employee After-tax	Employer Profit Sharing	Total Contributions		
Mike McParticipant	12/31/1970	1/1/2022	\$ 330,000	\$ 330,000	\$ 226,000	\$ 22,500	\$ 7,500	\$ 16,200	\$ 19,800	\$ 292,000		
2023 Tax savings (45%)					102,000	10,000	3,000	-	9,000	131,000		

Summary of contributions:

- Defined benefit plan (Column A) of \$226,000
 - Maximum recommended contribution for 2023. Funds maximum benefit earned during the year. Smaller contributions are allowed.
- 401(k) Profit Sharing Plan
 - Employee pretax deferrals (Columns B-C) of \$22,500, plus \$7,500 catch-up contribution. Maximum allowable employee pre-tax contribution for 2023. Those that attain age 50 or older during the year can contribute and additional \$7,500. Minimum contribution is \$0.
 - Employee after-tax deferrals (Column D) of \$23,700. Contributions are not tax-deductible but can be converted to Roth 401(k) monies that grow tax free. Account can be withdrawn in the future tax free. Allows plan sponsor to achieve maximum annual total contribution pf \$66,000 in
 - Employer profit sharing contribution (Column E) of \$19,800. Maximum tax-deductible employer contribution for 2023, equal to 6% of compensation.
- Total contributions of \$292,000 with estimated tax savings of \$131,000.

Long-Term Contribution Projection

Accumulate \$5.5M in Retirement Plan Assets Over 10 Years

Long-term Contribution Projection												
						(A)	(B)	(C)	(D)	(E)		
						Defined	401(k) Profit Sharing Plan Contributions					Total Annual Contributions
Year	Age	Years of Service	Compensation	Pensionable compensation	Benefit Plan Contribution	Employee Deferrals	Employee Catch-up	Employee After-tax	Employer Profit Sharing			
2023	53	1	\$ 330,000	\$ 330,000	\$ 226,000	\$ 22,500	\$ 7,500	\$ 16,200	\$ 19,800	\$ 292,000		
2024	54	2	342,000	340,000	245,000	23,000	7,500	17,100	20,400	313,000		
2025	55	3	354,000	350,000	263,000	24,000	8,000	17,000	21,000	333,000		
2026	56	4	366,000	360,000	296,000	24,500	8,000	17,900	21,600	368,000		
2027	57	5	379,000	370,000	321,000	25,500	8,500	17,800	22,200	395,000		
2028	58	6	392,000	385,000	312,000	26,000	8,500	19,400	23,100	389,000		
2029	59	7	406,000	395,000	365,000	27,000	9,000	19,300	23,700	444,000		
2030	60	8	420,000	405,000	391,000	27,500	9,000	20,200	24,300	472,000		
2031	61	9	435,000	420,000	415,000	28,500	9,500	20,800	25,200	499,000		
2032	62	10	\$ 450,000	\$ 430,000	\$ 431,000	\$ 29,500	\$ 10,000	\$ 20,700	\$ 25,800	\$ 517,000		
Total Contrbutions					\$ 3,265,000	\$ 258,000	\$ 85,500	\$ 186,400	\$ 227,100	\$ 4,022,000		
Assumed investment appreciation					1,070,063	143,725	47,477	104,074	126,547	1,491,887		
Projected account balance after 10 years					\$ 4,335,063	\$ 401,725	\$ 132,977	\$ 290,474	\$ 353,647	\$ 5,513,887		
Tax savings (45%)					\$ 1,469,000	\$ 116,000	\$ 38,000	\$ -	\$ 102,000	\$ 1,810,000		

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