

Blue Rock Institutional Services

Helping optimize retirement outcomes with cost effective and tax efficient solutions.



AVENUE ONE

CLIENT PROFILE:

- Law firm
- Three partners
- 25 employees
- High income owners needed help saving enough to replace income in retirement

CHALLENGE:

- Existing plan wasn't maximizing the partners' annual contributions or optimizing tax deferrals
- Seeking an alternative solution allowing partners to put away more than the defined contribution limit
- In need of solution that wouldn't increase overall employee cost, while still helping employees save for their own retirement
- Seeking a solution to also serve as a tool to help attract and retain talented employees

SOLUTIONS:

- Educated partners on their plan options to optimize retirement savings
- Added a cash balance plan to the 401(k) profit sharing plan
- Solution allowed partners to save more, faster with significantly higher contribution limits
- Plan helped get or keep current employees on track for retirement

RESULTS:

- Addition of cash balance plan and age-weighted contributions helped partners' account balances and savings grow exponentially
- Structure allowed employees to save more for retirement

Partners were able to save significantly more, while benefiting participants

PARTNER RETIREMENT SAVINGS HISTORY

Year	Compensation	Profit Sharing	Cash Balance	Total Contribution	Estimated Tax Deferral
1	\$225,000.00	\$20,500.00	\$0.00	\$20,500.00	\$8,118
2	\$230,000.00	\$21,300.00	\$57,500.00	\$78,800.00	\$31,205
3	\$245,000.00	\$22,700.00	\$61,250.00	\$83,950.00	\$33,244
3	\$245,000.00	\$22,700.00	\$112,700.00	\$135,400.00	\$53,618
4	\$245,000.00	\$22,700.00	\$112,700.00	\$135,400.00	\$53,618
5	\$250,000.00	\$23,000.00	\$115,000.00	\$138,000.00	\$54,648
6	\$255,000.00	\$23,300.00	\$117,300.00	\$140,600.00	\$55,678
7	\$260,000.00	\$23,972.00	\$140,400.00	\$164,372.00	\$65,091
Total				\$762,622.00	\$355,220

A goal without a plan is a dream...have a plan!

Blue Rock Institutional Services

Helping optimize retirement outcomes with cost effective and tax efficient solutions.



— AVENUE ONE —

WHY CONSIDER A CASH BALANCE PLAN?

Cash balance plans are viewed as a “hybrid” plan that combines the higher contribution limits of a traditional defined benefit plan with the flexibility and portability of a 401(k) plan. Cash balance plans can:

- **Provide cost and tax efficiencies** by providing owners with significant tax deductions for employee and self-contributions.
- **Accelerate retirement savings** with age-weighted contributions that allow owners to save more of their income to save twice as much in half the time.
- **Decrease risks** compared to traditional defined benefit plans by removing the interest rate risk that leads to constantly changing value of liabilities.
- **Be easier for employees to understand** because they’re similar to 401(k) plans with individual account balances.
- **Help attract and retain employees** by offering an additional retirement savings tool and giving you competitive advantage.

THE BOTTOM LINE

Your team at Blue Rock can help you build a successful benefits package that’s cost effective, tax efficient, low maintenance and maximizes benefits for all employees. Our clients look to us to work with them to help reach their retirement goals.

WHY BLUE ROCK?

At Blue Rock, we believe that successful retirement plans start with a clear goal. Once we have listened to your goals, we will develop a plan design that accomplishes your goals in the most efficient manner. We take pride in working with over 65 companies (and thousands of participants) to create, implement and monitor creative and effective retirement programs.

Are you interested in seeing if a cash balance plan is right for your business? Do you want a plan review to see if your current structure is optimizing your retirement plan outcomes?

Contact Blue Rock today to discover how we can help you boost retirement readiness!

Avenue1 Advisors is a registered investment adviser. Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. This report does not take into account your specific situation or objectives, and is not intended as recommendations appropriate for any individual. You are encouraged to seek advice from our team or a qualified tax, legal, or investment adviser to determine whether any information presented may be suitable for you specific situation. Past performance is not indicative of future performance.
ACR#303077 12/18

Cash balance can work for you

Rising tax rates and the need to catch up on retirement savings has motivated more and more business owners, like you, to look to cash balance plans to accelerate savings and maximize plan contributions.

- 89% of cash balance plans are in place at firms with fewer than 100 employees
- 31% of cash balance plans have assets over \$1 million
- The median asset size of a cash balance plan is \$482,077; the average is \$75 million
- 96% of cash balance plans are in combination with one or more defined contribution plans

Source: 2015 National Cash Balance Research Report, Kravitz.

Registered Representative, Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC .

Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor.

Cambridge and Blue Rock Financial Group are not affiliated.