

# **JOHN HANCOCK & NH HICKS**

Combination 401(k)/Defined Benefit Plan

Advisor Coaching Workshop

December 4<sup>th</sup>, 2025

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People Matter & Experience Counts

# Presenters



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- o 12 years Retirement Specialist at John Hancock

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- o 2 years as a Financial Advisor
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- o 2<sup>nd</sup> year as a TPA consultant with NH Hicks
- o 15 years as an advisor focused on selling and managing retirement plans
- o 19 years as an educator and coach



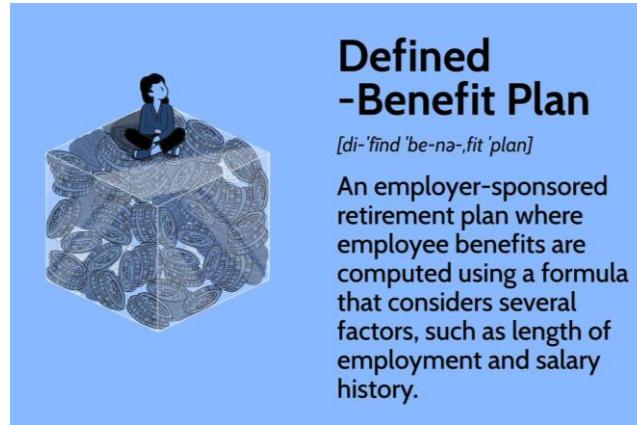
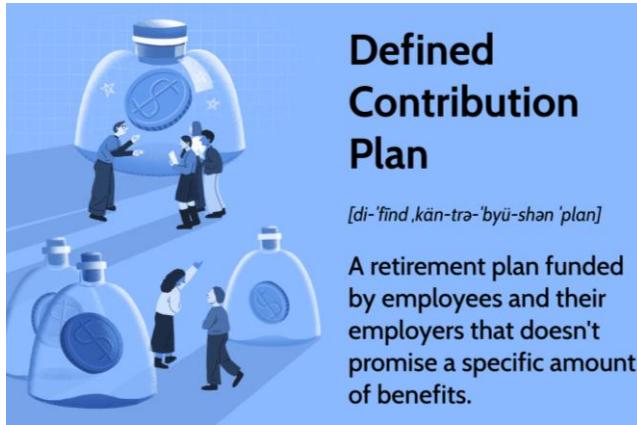
# ***Upcoming NH Hicks Workshop***

***Offering CPA CE Units***



- ❖ December 18<sup>th</sup>, 2025, 10:00 am – 11:00 am PST, **Unlocking The Creativity Of Owner Only Retirement Plans Advisor Coaching Workshop**  
**Click Here To Register**
- ❖ Today's Workshop Will Focus on Combination 401(k)/Defined Benefit Plans With Employees

# Combination 401(k)/Defined Benefit Workshop Topics



- 401(k)/Defined Benefit Overview
- Ideal Timing For Defined Benefit Plan Implementation
- Small Plan Comparisons
- Combination DC/DB Case Studies

# Combination Plan Provider Partners

## Ultimate Team Business Industry

### Advisor

Plan review coordinator, investment selection & monitoring, participant education.

#### CPA



Optimize contribution funding for tax savings and cash flow analysis.



#### Payroll



#### Client

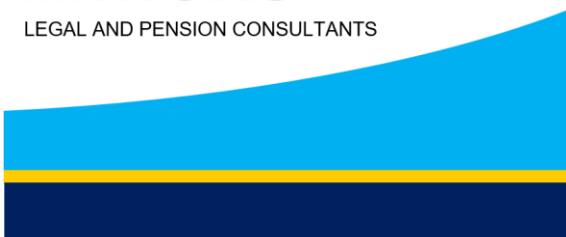


#### TPA – Administration

Tailored plan design consultation with personalized administration support.

**NH HICKS**

LEGAL AND PENSION CONSULTANTS



#### Investment Recordkeeper

Participant website and app, plan asset custodian, plan sponsor operations & reporting.



# Table of Limits



	2025	2026
<u>COMPENSATION LIMIT</u> - <i>plan year beginning</i>	350,000	360,000
<u>DC ANNUAL ADDITION LIMIT</u> - <i>plan year ending</i>	70,000	72,000
<u>401(k) DEFERRAL LIMIT</u> - <i>calendar not plan year</i>	23,500	24,500
<u>CATCH-UP DEFERRAL LIMIT</u> - <i>calendar not plan year</i>	7,500	8,000
<u>CATCH-UP LIMIT AGES 60 TO 63</u> - <i>calendar not plan year</i>	11,250	11,250
<u>ROTH CATCH-UP FICA WAGES</u> - <i>calendar not plan year</i>	150,000	TBD
<u>DB ANNUAL BENEFIT LIMIT</u>	280,000	290,000
<u>DB LUMP SUM APPROXIMATE BENEFIT LIMIT</u>	3.4 Mil	3.6 Mil
<u>TAXABLE WAGE BASE (EE 6.2% / ER 6.2%)</u>	176,100	184,500
<u>MEDICARE TAX RATE (EE 1.45% / ER 1.45%)</u>	No Limit	No Limit

# Group Testing Classifications



2025

2026

## HIGHLY COMPENSATED EMPLOYEE (ADP/ACP)

*Employee is considered highly compensated if owner in current or prior plan year. Compensation definition only required to be met in prior plan year.*

- 1) Over 5% owner
- 2) Any employee (may limit to top 20%)
- 3) Spouse or linear relation

160,000      160,000



## KEY EMPLOYEE (Top Heavy)

*Employee is considered key if meets definition in current plan year.*

- 1) Over 5% owner
- 2) Over 1% owner
- 3) Officer (count at least 1)
- 4) Spouse or linear relation

150,000      150,000  
230,000      235,000

# DEFINED CONTRIBUTION

Defining a Contribution Limit for Today

Market Returns Determine Amount at Retirement

Typically, Individual Self-Directed Accounts

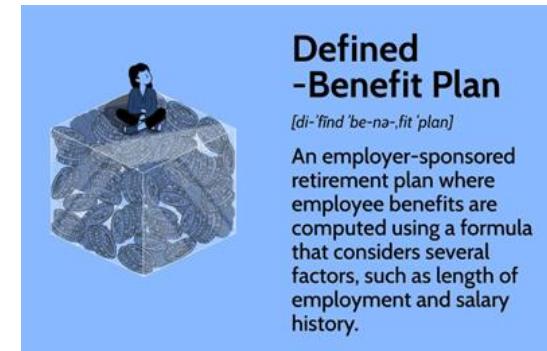


# DEFINED BENEFIT

Defining a Benefit at Retirement

Returns Determined by the Plan Document

IRS & ERISA Mandated Pooled Account



## ***DEFINED CONTRIBUTION***

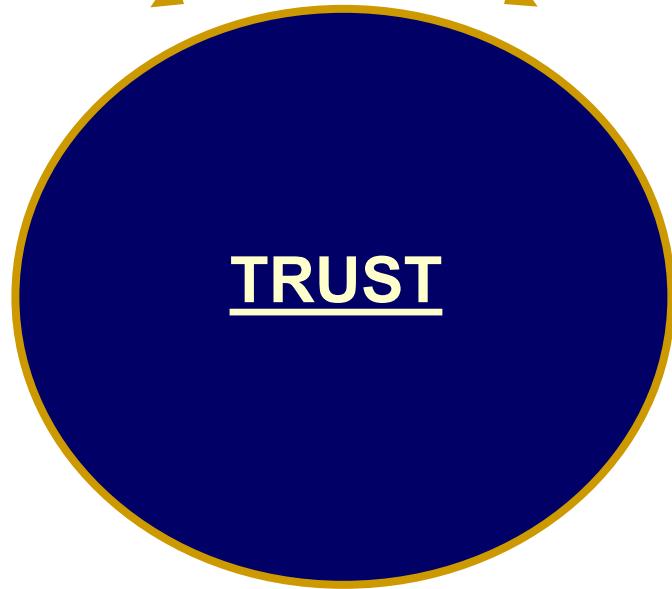
401(k)

MATCH  
401(k)

PROFIT  
SHARING

***DISCRIMINATION  
TESTING***

***ELIGIBILITY  
ENTRY  
VESTING***



***SAFE HARBOR***

***ALLOCATION METHODS***

# SAFE HARBOR PLANS

## 401(k)

100% up to \$23,500  
(age 50+ \$7,500 catch-up)  
(ages 60 to 63 \$11,250 catch-up)

## MATCH

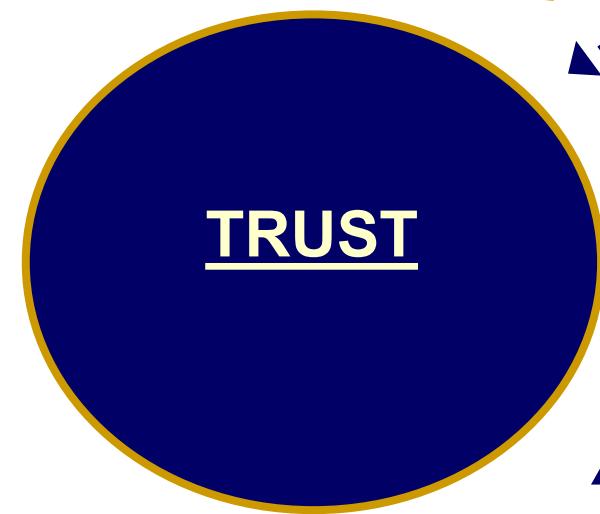
401(k)

4% Match

## PROFIT

SHARING

3% Contribution



## DISCRIMINATION TESTING

- ADP Test
- Top-Heavy

## ELIGIBILITY ENTRY VESTING

## ALLOCATION METHODS

## SAFE HARBOR

- 3% Non-elective or 4% Match (100% Vested)
- 3.5% QACA Match (2 Yr Vesting)
- New plans must exist for at least 90 days (10/1 Deadline)
- Terminated participants receive contribution

# 4% Match vs. 3% NEC Safe Harbor

Compensation		401(k)	4% SH Match	ER Cost Total	Total \$67,960
Owner	\$350,000	\$23,500	\$14,000		\$37,500
Spouse	\$24,000	\$23,500	\$960		\$24,460
EE1	\$50,000	\$2,000	\$2,000		\$2,000
EE2	\$50,000	\$2,000	\$2,000		\$2,000
EE3	\$50,000	\$2,000	\$2,000		\$2,000

## Owner to DC Max / 5% Corridor Leveraging New Comp Profit Sharing Allocation

Compensation		401(k)	3% SHNEC	Profit Sharing	ER Cost Total	Total \$101,720
Owner	\$350,000	\$23,500	\$10,500	\$36,000 (10.3%)	\$70,000	
Spouse	\$24,000	\$23,500	\$720	0 (0%)	\$24,220	
EE1	\$50,000	\$2,000	\$1,500	\$1,000 (2%)	\$2,500	
EE2	\$50,000	\$2,000	\$1,500	\$1,000 (2%)	\$2,500	
EE3	\$50,000	\$2,000	\$1,500	\$1,000 (2%)	\$2,500	

\* Assumption for this illustration is that everyone is under age 50, using 2025 contribution limits.



# Defined Benefit Plan

Defining a Benefit Amount at Retirement  
In Example Below Showing a 100% Income Replacement

## General Assumptions

Age 48	NRA* 62	Life Exp. 85
Comp. \$225,000	Fund \$2,852,000	Pay \$225,000

Requires \$153,000 contribution

- Actuary calculation
- DB chart
- Retirement age
- Permanency
- Interest rates
- Investment return goal
- Funding min-max range
- Overfunded/Underfunded
- Funding limit
- Unable to fund
- Freezing
- Terminating

# 2025 Defined Benefit Contribution Table

Ages/Comp	30,000	50,000	70,000	90,000	110,000	130,000	150,000	170,000	190,000
<b>32</b>	33,571	55,952	78,333	78,333	78,333	78,333	78,333	78,333	78,333
<b>34</b>	37,274	62,123	86,972	86,972	86,972	86,972	86,972	86,972	86,972
<b>36</b>	41,384	68,974	96,563	96,563	96,563	96,563	96,563	96,563	96,563
<b>38</b>	45,948	76,581	107,213	107,213	107,213	107,213	107,213	107,213	107,213
<b>40</b>	51,016	85,026	119,036	119,036	119,036	119,036	119,036	119,036	119,036
<b>42</b>	57,261	95,435	133,609	133,609	133,609	133,609	133,609	133,609	133,609
<b>44</b>	63,504	105,839	148,175	148,175	148,175	148,175	148,175	148,175	148,175
<b>46</b>	70,427	117,378	164,329	164,329	164,329	164,329	164,329	164,329	164,329
<b>48</b>	78,105	130,174	182,244	182,244	182,244	182,244	182,244	182,244	182,244
<b>50</b>	86,620	144,366	202,112	202,112	202,112	202,112	202,112	202,112	202,112
<b>52</b>	96,063	160,105	224,146	224,146	224,146	224,146	224,146	224,146	224,146
<b>54</b>	106,536	177,559	248,582	248,582	248,582	248,582	248,582	248,582	248,582
<b>56</b>	118,150	196,917	275,682	275,682	275,682	275,682	275,682	275,682	275,682
<b>58</b>	123,144	205,241	287,336	287,336	287,336	287,336	287,336	287,336	287,336
<b>60</b>	117,870	196,450	275,029	275,029	275,029	275,029	275,029	275,029	275,029
<b>62</b>	112,323	187,205	262,086	303,933	303,933	303,933	303,933	303,933	303,933
<b>64</b>	106,475	177,458	248,440	319,424	335,885	335,885	335,885	335,885	335,885

- Defined benefit chart is a ballpark approximation for an Owner Only Plan using W-2 wages.
- Contribution amounts may be less when using a DB/DC Combo design.
- Contributions based on NRA 62 and 5 Years of Participation.

# Defined Benefit Plan Key Considerations



## ➤ Large Funding Requirements & Contribution Volatility

- Defined benefit plans have an **annual minimum and maximum contribution** determined by actuarial rules.
- The contribution funding is affected by the performance of the plan assets. **An actuary uses a rate of return (ROR) of typically 4% or 5% in their calculations defined in the plan document.** If the defined benefit asset performance exceeds this ROR, then the **allowable contribution funding will go down** whereas if the defined benefit assets underperform, then the **contribution funding will go up.**
- Critical to have the company **tax CPA** integrally involved in the set up of a defined benefit plan. Have the CPA run a **feasibility study** on the contribution funding to see if it will present a **cash-flow risk** to the employer.

## ➤ Permanency

- The concept of “permanency” in a Defined Benefit (DB) plan refers to the requirement that the plan is intended to be an ongoing commitment with a target of 8 - 10 years to be fully funded. In common practice, a DB plan with a **legitimate business reason can terminate within 3 – 5 years.**

## ➤ Legitimate Business Reasons to Terminate a Defined Benefit Plan

- Significant reduction** in business **revenue and/or profitability**
- Retirement**
- Company **merger/acquisition** or restructuring

## ➤ Recommended Timing to Set Up A Defined Benefit Plan

- First half of the year following the 1<sup>st</sup> plan year.** For example, if you are looking to set up a defined benefit plan for 2025, I would be **planning now make a final decision by May 2026.** Also note, In a combination plan it's critical to understand the 2025 401(k) plan provisions that will affect the defined benefit plan calculations.

# Defined Benefit Plan Comparison To Cash Balance Plan



## ➤ Plan Type & Benefit Promise

- ❖ DB Plan: Promises **specific annual lifetime benefit**, which can be converted to a **lump sum** distribution.
- ❖ Cash Balance Plan: A legal DB Plan but expresses the **promised benefit as a hypothetical account balance** that participants can see on an annual basis, yet assets remain in a pooled account.

## ➤ Operations & Expenses

- ❖ DB Plan: **Less administration work and fees** with the calculation of an annual lifetime benefit.
- ❖ Cash Balance Plan: **More administration work and fees** to track hypothetical participant accounts on an annual basis.

## ➤ Typical Usage From Experience

- ❖ DB Plan: **Smaller companies** (under 10 employees) that are targeting large contributions for only **one owner**.
- ❖ Cash Balance Plan: **Larger companies** that are targeting large contributions **for multiple owners**.

## ➤ Vesting

- ❖ DB Plan: Can have a **6-year graded vesting** schedule (0%-20%-40%-60%-80%-100%).
- ❖ Cash Balance Plan: Most restrictive is a **3-year cliff vesting** (0%-0%-100%)

## ➤ Trust The Actuary To Make The Decision

# PBGC Covered Defined Benefit Plans



- **Pension Benefit Guaranty Corporation (PBGC) Defined**
  - ❖ PBGC is a federal agency created under ERISA (Employee Retirement Income Security Act of 1974) that **insures private-sector defined benefit plans**.
  - ❖ PBGC operates like an **insurance program** for employers with **covered defined benefit plans who pay premiums** to the PBGC. For example, PBGC per participant premiums for 2025 are \$106.
  - ❖ If a covered pension plan becomes unable to pay promised benefits, **PBGC steps in to provide financial assistance** to ensure that participants receive guaranteed pension benefits.
- **PBGC Exempt Employers**
  - ❖ PBGC defines exemptions as **professional service employers**.
  - ❖ ERISA provides a **non-exhaustive list** of exempt professionals: Physicians, Dentists, Chiropractors, Osteopaths, Optometrists, Other licensed practitioners of the healing arts, Attorneys at law, Public accountants, Public engineers, Architects, Draftsmen, Actuaries, Psychologists, Social or physical scientists, and Performing artists.
  - ❖ If in doubt, there is a process to **submit a coverage determination** request to the PBGC for a fee.

# Now Is A Great Time For This Discussion



## Plan Set Up & Contribution Funding Deadline



### Adding a New Defined Benefit Plan (For All Entity Types) for 2025

- ❖ **Deadline:** Before tax returns are filed with extension on *September 15, 2026*

### Adding a New 4% Safe Harbor Non-Elective Provision for 2025

- ❖ **Deadline:** For a calendar-year plan *December 31, 2026*
- ❖ **Missed Deadline:** To keep it at a **3%** *SHNEC* was *December 1, 2025*

# Plan Comparisons With Employees

## Combination 401(k) PSP / Defined Benefit Plans



	W2 Comp	401(k) PSP	DB	401(k)/DB Combo
Owner 57 \$150,000	\$46,500 +\$31,000	\$366,300	\$366,300 +\$31,000	
Spouse 57 \$40,000	\$16,500 +\$31,000	\$117,800	\$117,800 +\$31,000	
Jack 30 \$50,000	\$2,500 +23,500	\$60,300	\$6,850 +23,500	
Jill 25 \$50,000	\$2,500 +23,500	\$44,300	\$6,850 +23,500	
ER Cont EE Cont ER %	\$125,000 \$5,000 96%	\$484,100 \$104,600 82%	\$546,100 \$13,700 98%	

**A Combination Plan in general will produce a much better ER% than a Defined Benefit Plan by itself.**

\* This illustration is using 2025 contribution limits.

# ABC Architects Combo 401(k)/DB Plan

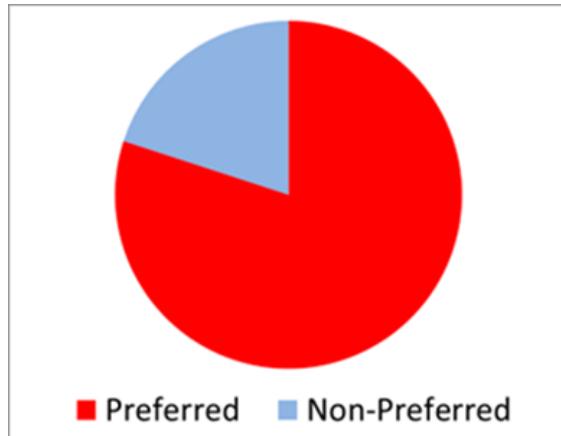
## 2025 4% Safe Harbor Match 401(k) Plan

Participant	Age	Comp EEs W2 & Owner K1 \$600,000	DB	401(k) Def	401(k) 4% SH Match	401(k) PS	Total Contributions	Total ER Cont	% of Total Benefits
Owner **	67	\$97,937	\$374,770	\$31,000	\$3,917	\$0	\$409,687	\$409,687	79.5%
EE 1 *	56	\$237,995	\$0	\$9,520	\$9,520	\$11,900	\$30,940	\$21,420	4.2%
EE 2	22	\$126,471	\$949	\$5,059	\$5,059	\$16,631	\$27,698	\$22,639	4.4%
EE 3	25	\$137,107	\$1,167	\$5,484	\$5,484	\$9,858	\$21,994	\$16,509	3.2%
EE 4 (Owner Child)**	28	\$213,267	\$0	\$8,531	\$8,531	\$0	\$17,061	\$8,531	1.7%
EE 5 *	46	\$279,702	\$0	\$11,188	\$11,188	\$13,985	\$36,361	\$25,173	4.9%
EE 6	42	\$84,693	\$1,700	\$3,388	\$3,388	\$6,089	\$14,564	\$11,177	2.2%
Employee Totals		\$1,079,235	\$3,816	\$43,170	\$43,169	\$58,463	\$148,618	\$105,448	20.5%
Total		\$1,177,172	\$378,586	\$74,170	\$47,087	\$58,463	\$558,305	\$515,136	100%

\*Denotes HCE

\*\*Denotes HCE & Key

### Net Allocations to Preferred – 79.5%



### Analysis of Net Economic Benefit

1. Employer's Combined Marginal Tax Rate: 35%
2. Total Deductible Employer Contribution: \$515,136
3. Tax Benefit (1x2) : \$180,298
4. After Tax Cost of Contribution (2-3) : \$334,838
5. Total Allocations to Preferred: \$409,687
6. Net Economic Benefit Cost (5-4) : \$74,849

# ABC Architects Combo 401(k)/DB Plan

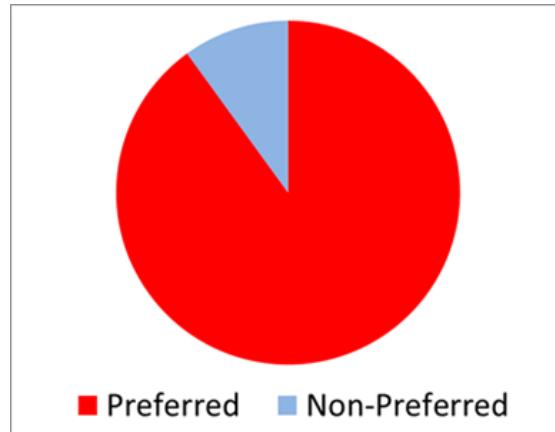
## 2026 3% Safe Harbor Non-Elective 401(k) Plan

Participant	Age	Comp EEs W2 & Owner K1 \$600,000	DB	401(k) Def	401(k) 3% SHNEC	401(k) PS	Total Contributions	Total ER Cont	% of Total Benefits
Owner **	67	\$126,330	\$394,417	\$31,000	\$0	\$100	\$425,517	\$425,517	87.5%
EE 1 *	56	\$237,995	\$0	\$0	\$0	\$11,900	\$11,900	\$11,900	2.4%
EE 2	22	\$126,471	\$1,018	\$0	\$3,794	\$11,256	\$16,068	\$16,068	3.3%
EE 3	25	\$137,107	\$1,252	\$0	\$4,113	\$5,704	\$11,069	\$11,069	2.3%
EE 4 (Owner Child)**	28	\$213,267	\$0	\$0	\$0	\$100	\$100	\$100	0.0%
EE 5 *	46	\$279,702	\$0	\$0	\$0	\$13,985	\$13,985	\$13,985	2.9%
EE 6	42	\$84,693	\$1,824	\$0	\$2,541	\$3,523	\$7,888	\$7,888	1.6%
Employee Totals		\$1,079,235	\$4,094	\$0	\$10,448	\$46,468	\$61,010	\$61,010	12.5%
Total		\$1,205,565	\$398,511	\$31,000	\$10,448	\$46,568	\$486,527	\$486,527	100%

\*Denotes HCE

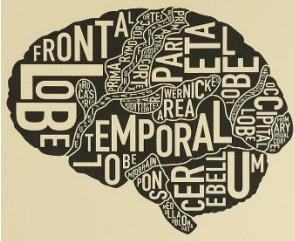
\*\*Denotes HCE & Key

### Net Allocations to Preferred – 87.5%



### Analysis of Net Economic Benefit

1. Employer's Combined Marginal Tax Rate: 35%
2. Total Deductible Employer Contribution: \$486,527
3. Tax Benefit (1x2) : \$170,284
4. After Tax Cost of Contribution (2-3) : \$316,243
5. Total Allocations to Preferred: \$425,517
6. Net Economic Benefit Cost (5-4) : \$109,274



# ABC Architects Combo 401(k)/DB Plan

## Top Three Critical Concepts



### THINKING CAP

- **Significant Difference Between 3% SHNEC vs 4% SH Match**
  - ❖ Net Allocations to Preferred: 87.5% vs 79.5% **8% Difference**
  - ❖ Analysis of Net Economic Benefit: \$109,274 vs \$74,849 **\$34,425 Difference**
  - ❖ **Concept:** Since the **3% SHNEC** is given to every eligible NHCE, it **counts** towards **the favorable employer profit-sharing allocations**, where the **4% is not counted** in the **SH Match**. In this example the 3% contributes to the profit-sharing allocations for the NHCE of between 8% - 13% of compensation.
- **Disparity in Where Employer Allocations are Contributed**
  - ❖ **Owner:** In 2026, \$394,417 in DB plan vs \$100 in the 401(k) Profit-Sharing
  - ❖ **Employees:** In 2026, \$4,094 in DB plan vs \$46,468 in the 401(k) Profit-Sharing
  - ❖ **Concept:** In the 401(k) plan the actuarial rate of return is determined by **investment return assumption usually around 8%**, whereas in the DB plan the actuarial rate of return is determined by **crediting rates usually around 5%**. Therefore, the **employer contributions can be less for employees on the 401(k) PS today**, since it will be worth more by actuarial calculations at retirement age. Consequentially, the **employer contributions can be more for the owner on the DB plan today**, since that will be worth less by actuarial calculations at retirement age.
- **Type of Owner Compensation Matters**
  - ❖ **Formula** for Self-Employed Retirement Plan Compensation = (Earned Income) – (one half SE Tax) – (ER Share of EE Contributions) – (Own Contributions)
  - ❖ For Example, in 2026: That is the reason why **Owner K-1 Net Income of \$600,000 equates to \$126,330** of retirement plan compensation.



# Defined Benefit Case Studies

## Plan Summaries

- ❖ Case Study #1
  - Doctor office with one doctor owner 49 years old
  - Three full-time employee support staff
- ❖ Case Study #2
  - Manufacturing distributors with owner 35 years old and spouse 31 years old
  - Three full-time warehouse employees
- ❖ Case Study #3
  - Agricultural supply store with majority sibling owners with the brother 50 years old and the sister 52 years old
  - 50 employees ranging from warehouse workers, in-store service/cashiers, and middle management

## Participation Question

From the above information, which Case Study would yield the best combination 401(k)/DB funding contribution results for the owners?



# Defined Benefit Case Studies

## Case Study #1 Results

### ❖ Case Study #1

- Doctor office with one doctor owner 49 years old
- Three full-time employee support staff

Participant	Age	Comp	401(k) Deferral	401(k) Profit Sharing	Theoretical 1st Yr DB Contribution	Total Contribution Summary	% of Total Benefits
Owner	49	\$350,000	\$23,500	\$100*	\$130,000	\$153,600	66%
3 EE Totals	Avg 55	Avg \$115,000		\$62,000	\$16,500	\$78,500	34%
Total		\$695,000	\$23,500	\$62,100	\$146,500	\$232,100	100%

### ❖ Key Result Factor

- The **individual ages** of the three employees were on average **6 years older** than the owner with an **average compensation of \$115,000**.

\*Typical actuarial crediting rate for a DB plan is 5% and for a DC plan is 8%. Inverse relationship between a lower crediting rated means higher employer contributions, and higher crediting rate means lower employer contributions.



# Defined Benefit Case Studies

## Case Study #2 Results

### ❖ Case Study #2

- Manufacturing distributors with owner 35 years old and spouse 31 years old
- Three full-time warehouse employees

Participant	Age	Compensation	DB	401(k) Def	401(k) PS	Total Contributions	% of Total Benefits
Owner	35	\$350,000	\$160,000	\$23,500	\$100	\$183,600	56.5%
Spouse	31	\$350,000	\$105,000	\$23,500	\$100	\$128,600	39.6%
Owner Totals	Avg 33	<b>\$700,000</b>	<b>\$265,000</b>	<b>\$47,000</b>	<b>\$200</b>	<b>\$312,200</b>	<b>96.1%</b>
3 Employees	Avg 30	Ave \$40,000	\$2,350		\$10,250	\$12,600	3.9%
Total		<b>\$820,000</b>	<b>\$267,350</b>	<b>\$47,000</b>	<b>\$10,450</b>	<b>\$324,800</b>	<b>100%</b>

### ❖ Key Result Factors

- The **individual ages** of the three employees were on average **3 years younger** than the average age of the owners with an **average compensation of \$40,000**.
- **Both** the owner and spouse having a **maximum defined benefit compensation of \$350,000**.
- **Note:** Annual Defined Benefit plan contributions are **dependent and may vary based on various factors** each year such as compensation, years of service, rate of return in the DB trust, changes in tax laws, owners age, etc.

# Defined Benefit Case Studies

## Case Study #3 Results

### ❖ Case Study #3

- Agricultural supply store with majority sibling owners with the brother 50 years old and the sister 52 years old
- 50 employees ranging from warehouse workers, in-store service/cashiers, and middle management

Participant	Age	Compensation	DB	401(k) Def	401(k) SH 3%	401(k) PS	Total Contributions	% of Total Benefits
45% Owner Brother	50	\$250,000	\$225,000	\$31,000	\$0	\$100	\$256,100	24.5%
45% Owner Sister	52	\$250,000	\$225,000	\$31,000	\$0	\$100	\$256,100	24.5%
10% Owner Dad	73	\$100,000	\$300,000	\$31,000	\$0	\$100	\$331,100	31.7%
Owner Totals	Avg 58	<b>\$600,000</b>	<b>\$750,000</b>	<b>\$93,000</b>	<b>\$0</b>	<b>\$300</b>	<b>\$843,300</b>	<b>80.8%</b>
General Manager	42	\$110,000	\$2,200		\$3,300	\$20,000	\$25,500	2.4%
49 Employees	Avg 38	Avg \$40,000	\$39,200		\$58,800	\$77,175	\$175,175	16.8%
EE Totals			<b>\$41,400</b>		<b>\$62,100</b>	<b>\$97,175</b>	<b>\$200,675</b>	<b>19.2%</b>
Total		<b>\$2,670,000</b>	<b>\$791,400</b>	<b>\$93,000</b>	<b>\$62,100</b>	<b>\$97,475</b>	<b>\$1,043,975</b>	<b>100%</b>

### ❖ Key Result Factors

- Having the ability to make large contributions to **three people in the ownership group**.
- The ownership group have **additional goals of succession planning** for “**10% Owner Dad**” and extra **contributions to key “General Manager” employee**.
- **Individual ages** of the 50 employees on average age of **is 20 years younger** than ownership group.



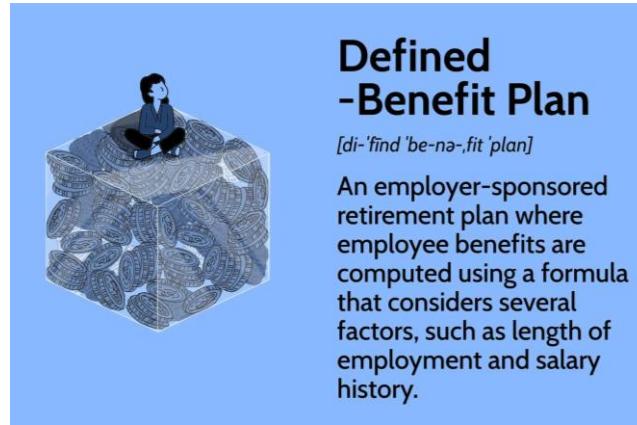
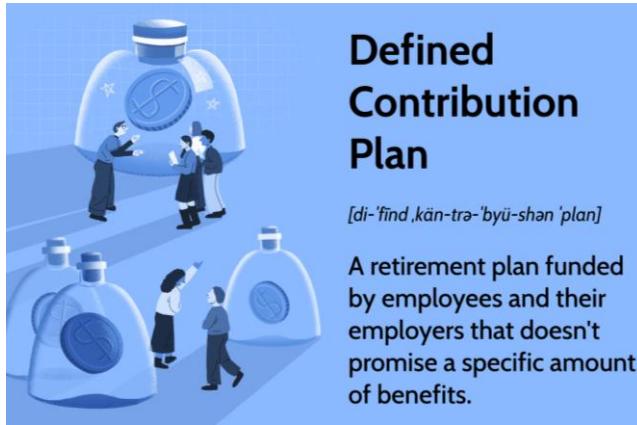
# Defined Benefit Case Studies

## Favorable Owner % Results

### Plan Summaries

- ❖ Case Study #1 **Net Allocation to Preferred 66.0%**
  - Doctor office with one doctor owner 49 years old
  - Three full-time employee support staff
- ❖ Case Study #2 **Net Allocation to Preferred 96.1% WINNER!**
  - Manufacturing distributors with owner 35 years old and spouse 31 years old
  - Three full-time warehouse employees
- ❖ Case Study #3 **Net Allocation to Preferred 80.8%**
  - Agricultural supply store with majority sibling owners with the brother 50 years old and the sister 52 years old
  - 50 employees ranging from warehouse workers, in-store service/cashiers, and middle management

# Combination 401(k)/Defined Benefit Workshop Topics



- 401(k)/Defined Benefit Overview
- Ideal Timing For Defined Benefit Plan Implementation
- Small Plan Comparisons
- Combination DC/DB Case Studies

# Presenters



**Angelo Cabral** (925) 357-0069 [angelo\\_cabral@jhancock.com](mailto:angelo_cabral@jhancock.com)

- o 25 years in Financial Services
- o 10 years at Merrill Lynch as a Financial Advisor
- o 12 years Retirement Specialist at John Hancock

**Zach Carstensen** (916) 215-9240 [zachary\\_carstensen@jhancock.com](mailto:zachary_carstensen@jhancock.com)

- o 24 years in Financial Services
- o 2 years as a Financial Advisor
- o 22 years Retirement Specialist at John Hancock

**Chris Ressa** (916) 316-5932 [cressa@nhhicks.com](mailto:cressa@nhhicks.com)

- o 2<sup>nd</sup> year as a TPA consultant with NH Hicks
- o 15 years as an advisor focused on selling and managing retirement plans
- o 19 years as an educator and coach

# Proposal Request Form 1st Page

You Have A Prospect If They Give You The Data

## PROPOSAL REQUEST

Today's Date: \_\_\_\_\_

Requested by: \_\_\_\_\_

Proposal for Plan Year: \_\_\_\_\_

Phone number: \_\_\_\_\_

This is for a:  New Plan  Takeover Plan

Email: \_\_\_\_\_

### Client Profile:

Company Name: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Address: \_\_\_\_\_

Date Business Commenced: \_\_\_\_\_ Fiscal Year end: \_\_\_\_\_

Type of Entity:  C-Corp  S-Corp  Partnership  Not-for-profit  Sole Proprietor  
 LLC (taxed as  Corp/  Partnership)  Other: \_\_\_\_\_

Primary business is \_\_\_\_\_

List owners, officers and ownership percentage:

Name: \_\_\_\_\_

% Owned  
\_\_\_\_\_

Name: \_\_\_\_\_

% Owned  
\_\_\_\_\_

(If any of the above own an interest in another company, please indicate with an \*)

Does the employer currently have a plan?  No  Yes Specify: \_\_\_\_\_

Additional comments about plan: \_\_\_\_\_  
\_\_\_\_\_

Are they interested in a specific plan?  No  Yes Specify: \_\_\_\_\_

Employer wishes to contribute approximately: \$ \_\_\_\_\_ per year.

The primary objective of the plan is (rate by importance 1-4, with 1 being first priority)

Tax Deduction  Employee Attraction/Retention  Employee Incentive  Creditor Protection

Are there other desires or concerns? Please explain: \_\_\_\_\_  
\_\_\_\_\_

The completed forms can be given to your consultant or sent to Chris Ressa at  
[cressa@nhhicks.com](mailto:cressa@nhhicks.com) or FAX (530) 226-0272.

# Proposal Request Form 2<sup>nd</sup> Page

## CENSUS DATA FOR PROPOSAL PREFERRED IN EXCEL FORMAT

Company: \_\_\_\_\_

Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Entity: \_\_\_\_\_

Year End: \_\_\_\_\_

If you are requesting a Defined Benefit proposal, see note below for additional information needed.

Owners & Employees	Birth Date	Hire Date	Total Annual Compensation	Annual Salary Deferral	1,000 Hours in Any Year	Term Date	Owner %, Officer, Family
<b>Totals</b>							

**Note:** If requesting a proposal for a Defined Benefit Plan, also provide us with the owners' compensations for the 3 prior calendar years. Compensation is W-2 for C and S-Corporations, Schedule C Net-Income for Sole Proprietor and K-1 Net-income for Partnership.

**JOHN HANCOCK**  
**&**  
**NH HICKS**

**People Matter & Experience Counts**