

The PRS Report

Have You Heard About the New Hybrids?

“ Between 1999 and 2007, the number of participants in hybrid plans increased from 3.2 million to 10.2 million...”

- Human Resource Executive Online 1/31/11

We design HybridsNo, we are not automotive engineersWe design Hybrid Retirement Plans (Cash Balance Plans)....The two namesakes share many advantages....

TOP 5 REASONS TO OWN A HYBRID (Retirement Plan)

Efficiency

Hybrid Plans do a great job of accumulating retirement savings without a lot of bells and whistlesThey are as easy to understand as your basic IRA....Annual administration fees are less than 3% of the tax savings.

Cuts dependence on other sources

With additional accumulated wealth, there is less need for other sources of retirement

income like social security or IRAs.

Going Green

Large annual deductible contributions are allowed in Hybrid Plans which generate huge tax savings....Assets grow tax free until they are distributed, usually around age 62. The limits for Hybrids are much greater than for 401(k)s and allow for faster accumulation of wealth.

Low Maintenance

The annual maintenance for these plans is seamless to the plan sponsor. We, as your TPA, handle all of the set up and reporting. Your tax advisor/CPA aligns the large deduction on your return and your financial advisor invests the contributions and monitors your progress.

Wave of the Future

For professionals of today, stand alone 401(k)'s are fairly antiquated. Today's savvy retirement planner is adding the newly designed savings tool --- the Hybrid Plan. Ask around, we would guess your neighbor has one and you didn't even know it. Check out the chart on the next page to get a feel for the power of these Hybrid Plans.

Give us a call or email us and we can "steer" you in the right direction for a Hybrid that fits your needs.



SAMPLE CASH BALANCE TAX DEDUCTIBLE CONTRIBUTIONS
ABOVE THE STANDARD \$49,000

<u>OWNER AGE</u>	<u>In a Cash Balance Plan each owner can contribute up to:</u>	<u>And the tax savings* would be:</u>
30 -34	\$43,000	\$18,920
35-39	\$56,000	\$24,640
40-44	\$73,000	\$32,120
45-49	\$96,000	\$42,240
50-54	\$125,000	\$55,000
55-59	\$164,000	\$72,160
60-65	\$209,000	\$91,960

* Tax savings based on an estimated 44% tax bracket. Amounts above are intended to be illustrative.

Each plan differs based on the demographics of the plan sponsor.

Advisors can do more for their clients than a stand-alone Profit Sharing or 401(k) Plan. Cash Balance (Hybrid) Plan contributions can be made in addition to Profit Sharing & 401(k) Plan contributions.



Pension Review Services
445 Broad Hollow Road Suite 8
Melville, NY 11747
Phone: (516) 694-5500 Fax: (516) 694-5501
www.pensionreviewservices.com
email: info@pensionreviewservices.com