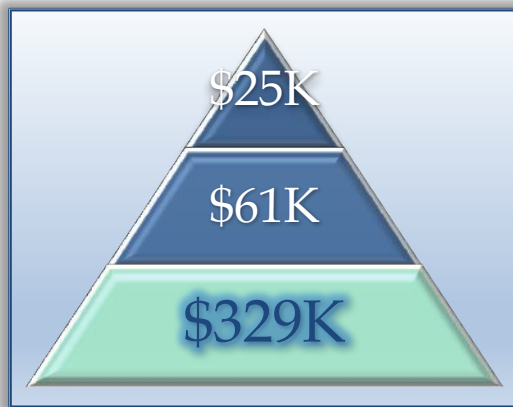


Defined Benefit Plan

WHAT is a Defined Benefit Plan?

A Defined Benefit plan is a retirement plan that promises a specific monthly benefit at retirement. This benefit may be stated as an exact dollar amount, such as \$100 per month at retirement, or calculated through a plan formula that considers such factors as salary history and years of service.

In a defined benefit plan, the benefit is pre-defined, and the employer bears the investment risk.




WHO is an Ideal Plan Sponsor?

- ✓ **Goal:** Plan Sponsors looking to maximize personal retirement plan savings and achieve greater tax-efficiency than a defined contribution plan alone can provide.
- ✓ **Demographic:** These types of plans are best suited for individuals who are over the age of 50 and can commit to making a significant fixed contribution each year. These plan types can be applied to businesses of any size.
- ✓ **Generosity:** Employer contributions are determined each year by market values of prior investments, how many years the employee has until retirement, and other actuarial adjustments. (Contribution requirements are increased when the market does poorly and decreased when the market performs well.)

Support & Resources

We recognize that Defined Benefit Plan discussions can be complex. At The Ryding Company we simplify the process in two ways:

1. Supporting Financial Advisors and Plan Sponsors in determining the suitability of this plan option.
2. By creating easy-to-understand customized plan illustrations to explain the benefits and considerations of this plan type.



Cash Balance Plan Illustration - Custom

Name	Age	Annual Salary	APAY	Plan (Monthly)	Cost Balance	Total Contribution	Tax Savings
Owner	55	\$175,000	\$19,200	\$19,200	\$1,100	\$175,000	\$18,000
Subtotal		\$175,000	\$19,200	\$19,200	\$1,100	\$175,000	\$18,000
5% of pay							
Employee #1	55	\$90,000	\$9,500	\$9,500	\$500	\$90,000	\$9,500
Employee #2	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #3	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #4	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #5	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #6	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #7	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #8	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #9	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Employee #10	55	\$100,000	\$10,500	\$10,500	\$500	\$100,000	\$10,500
Subtotal		\$900,000	\$95,000	\$95,000	\$5,000	\$900,000	\$95,000
Grand Totals		\$1,075,000	\$114,200	\$114,200	\$6,100	\$1,075,000	\$113,000

Percent of Contributions to Owner: 87.8%