The Time is Now:

7 REASONS TO ADD A CASH BALANCE PLAN BEFORE YEAR END

Although the SECURE Act extended the deadline for adding a Cash Balance plan until the tax-filing deadline, don't let that be a reason to delay. Cash Balance plans remain the best way for business owners to significantly reduce the tax burden and accelerate retirement savings. Be a hero for your high-earning clients, and help them gain all the advantages of setting up a plan now:

1. Waiting doesn't pay

Setting up a plan in the last few weeks before the final deadline typically results in poor decision-making and increased frustration for the plan sponsor. Setting a plan up earlier sets your client up for success, with many more options for plan design innovation and creative solutions.

2. Zero it out

Your C-corp clients need to zero-out by fiscal year-end, so get that Cash Balance plan in place now.

3. Savvy DC plan changes can maximize Cash Balance contributions

Optimizing Cash Balance plan design often involves amending DC/401(k) provisions, which must be done before plan year end. These could include modifying profit sharing allocations, ensuring top-paid group HCE determination is in-sync, or adding a non-elective safe-harbor (SH) for the current plan year.

4. Don't add to your clients' headaches

Plan sponsors and investment providers have lots of administration to do well before the tax filing deadline. Get ahead of the game by adopting a Cash Balance plan early.

5. Get estimated deductions in time

You'll ensure your client has an estimated tax deduction by the first tax return due dates (March or April 15) – so they can make the right payment even if going on extension.

6. Meet that ICR (Interest Crediting Rate)

As an advisor, you'll need to help clients invest funds much sooner than extended filing dates to have any chance of meeting the ICR for the following plan year.

7. Fund it and top up with premium

Cash Balance and Defined Benefit minimum funding is still due by September 15 of the following year even if the tax return is on extension until October 15. And don't forget that plan sponsors still must pay PBGC premiums within 90 days of the plan's adoption date or by October 15.

Connect with your FuturePlan sales consultant to help clients add a Cash Balance plan before year end. The clock is ticking!

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Give us a call or send us an email – we're here to help with free plan designs, Cash Balance sales strategies, and end-to-end support: 866-929-2525 or sales@futureplan.com