PPI

Cash balance plans at a glance

A defined benefit plan that lets owners save far beyond 401(k) limits, with contributions that rise with age.

- Each participant sees their balance on a statement, like a 401(k)
- Usually paired with a 401(k) profit sharing plan; staff typically receive 5% to 7.5% of pay
- Contributions can be changed before employees work 1,000 hours (typically by June)
- Investments are managed by the plan's trustee, with a set rate of return

AGE	401(K) + PROFIT SHARING	CASH BALANCE	TOTAL
45	$72,000	$159,000	**$231,000**
50	$80,000	$204,000	**$284,000**
55	$80,000	$262,000	**$342,000**
60	$83,250	$336,000	**$419,250**
65	$80,000	$349,000	**$429,000**

Sample 2026 maximums by age. Actual amounts depend on plan design and testing.

QUESTIONS ABOUT A PLAN? CONTACT US.

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