

Proposed  
New Comparability Cash Balance Plan  
FOR THE PLAN YEAR 01/01/2007 THROUGH 12/31/2007

Cross-tested Cash Balance Plan PLUS Profit Sharing Plan WITH 401(k) Deferrals permitted.

- Top-Heavy Minimum Benefit requirement is met in Profit Sharing Plan (total Employer contribution at least 5% allocation).
- Safe-Harbor 401(k) ADP test is met in Profit Sharing Plan (Non-Eligible Safe Harbor contribution at least 3% allocation).
- Gateway test for Cash Balance Plan Cross-testing is met by Profit Sharing Plan + Cash Balance Plan (generally at least 7.5% allocation, but may be lower).
- Total contribution (Cash Balance Plan PLUS Profit Sharing Plan) is less than the 25% of Covered Payroll total deductibility limit OR Profit Sharing Plan is less than 6% of Covered Payroll deductibility limit.

EMPLOYEE NAME	SEX	DATE OF BIRTH	DATE OF HI RE	PLAN CONSIDERED				CASH BALANCE HYPOTHETICAL ALLOCATION		PROFIT SHARING ALLOCATION		NON-ELECTIVE SAFE HARBOR ALLOCATION		401(k) ALLOCATION		CATCH UP 401(k) ALLOCATION		TOTAL EMPLOYEE ALLOCATION		
				COMPENSATN	AGE	PS	TS	RA	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Age 45 owner-1	M	07/01/62	01/01/02	225,000	45	6	23	62	93,596	41.60	6,750	3.00	6,750	3.00	15,500	6.89	0	0.00	122,596	54.49
Age 20 employee-01	M	07/01/87	01/01/06	20,000	20	2	44	62	100	0.50	600	3.00	600	3.00	0	0.00	0	0.00	1,300	6.50
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	39	62	125	0.50	750	3.00	750	3.00	0	0.00	0	0.00	1,625	6.50
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	225	0.50	1,350	3.00	1,350	3.00	0	0.00	0	0.00	2,925	6.50
Age 50 employee-01	M	07/01/57	01/01/06	50,000	50	2	14	62	250	0.50	1,500	3.00	1,500	3.00	0	0.00	0	0.00	3,250	6.50
Age 55 employee-01	M	07/01/52	01/01/06	55,000	55	2	9	62	275	0.50	1,650	3.00	1,650	3.00	0	0.00	0	0.00	3,575	6.50
TOTALS:				420,000					94,571		12,600		12,600		15,500		0		135,271	

404 Deductibility Limit is satisfied if either:

1. Cash Balance Plan + Profit Sharing + Safe Harbor <= 25% of Covered Payroll:

$$( 94,571 + 12,600 + 12,600 ) = 119,771 <= 105,000$$

OR 2. Profit Sharing + Safe Harbor <= 6% of Covered Payroll:

$$( 12,600 + 12,600 ) = 25,200 <= 25,200$$

NOTE: Cash Balance Plan is Cross-Tested with 401(k) Plan, so 401(k) Plan is REQUIRED, not optional.