

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-Elective Safe Harbor contribution at least 3% allocation).
- Gateway test for Cash Balance Plan Cross-testing is met by Profit Sharing Plan + Cash Balance Plan (at least 7.5% allocation).
- Total contribution (Cash Balance Plan PLUS Profit Sharing Plan) is less than the 25% of Covered Payroll deductibility limit.

EMPLOYEE NAME	SEX	DATE	DATE	PLAN CONSIDERED COMPENSATN	AGE	PS	TS	RA	CASH BALANCE HYPOTHETICAL ALLOCATION		PROFIT SHARING ALLOCATION		NON-ELECTIVE SAFE HARBOR ALLOCATION		401(k) ALLOCATION		CATCH UP 401(k) ALLOCATION		TOTAL EMPLOYEE ALLOCATION	
		OF BIRTH	OF HI RE						AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Age 55 owner-1	M	07/01/52	01/01/02	225,000	55	6	13	62	153,926	68.41	6,750	3.00	0	0.00	15,500	6.89	5,000	2.22	181,176	80.52
Age 35 employee-01	M	07/01/72	01/01/06	35,000	35	2	29	62	175	0.50	2,275	6.50	1,050	3.00	0	0.00	0	0.00	3,500	10.00
Age 45 employee-01	M	07/01/62	01/01/06	45,000	45	2	19	62	225	0.50	2,925	6.50	1,350	3.00	0	0.00	0	0.00	4,500	10.00
TOTALS:				305,000					154,326		11,950		2,400		15,500		5,000		189,176	

404 Deductibility Limit is satisfied if either:

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

$$(154,326 + 11,950 + 2,400) = 168,676 <= 76,250$$

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

$$(11,950 + 2,400) = 14,350 <= 18,300$$

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