

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 (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			
					AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%		
Age 65 owner-1	M	07/01/42	01/01/02	225,000	65	6	10	70	203,639	90.51	6,375	2.83	6,750	3.00	15,500	6.89	5,000	2.22	237,264	105.45
Age 25 employee-01	M	07/01/82	01/01/06	25,000	25	2	42	65	125	0.50	1,125	4.50	750	3.00	0	0.00	0	0.00	2,000	8.00
TOTALS:				250,000					203,764		7,500		7,500		15,500		5,000		239,264	

404 Deductibility Limit is satisfied if either:

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

$$( 203,764 + 7,500 + 7,500 ) = 218,764 <= 62,500$$

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

$$( 7,500 + 7,500 ) = 15,000 <= 15,000$$

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