

# Dedicated DB



## Maximize retirement savings with a 401(k) + Cash Balance plan

A retirement savings strategy for businesses with higher contribution goals.

Combining a 401(k) and a Cash Balance plan gives owners the potential to make large deductible contributions for themselves while liming the total cost of benefits for employees.

### A 401(k) + Cash Balance plan may be considered by businesses that:

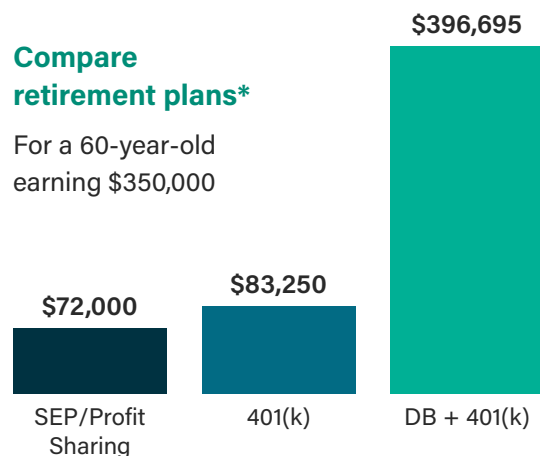
- Want to contribute more than what a 401(k) typically allows.
- Are looking for ways to direct higher employer-funded benefits to owners or key employees within IRS rules.
- Have steady cash flow to support ongoing employer contributions.
- Want to add an additional employer-funded benefit to what they already offer.
- Prefer a clear, formula-based way to structure annual contributions.

### Advantages of a Cash Balance plan:

- **Bigger deductions**—Larger employer-funded contributions gives the business the ability to make bigger tax-deductible contributions than a 401(k) alone.
- **Accelerated savings**—Employer-funded contributions plus guaranteed interest credit.
- **Higher limits**—Highest allowable contributions to a qualified plan—\$100,000 or more.
- **Creditor protection**—Assets are generally protected from certain lawsuits and bankruptcy.

### Compare retirement plans\*

For a 60-year-old earning \$350,000



### Why pair a Cash Balance plan with a 401(k)?

A Cash Balance plan is an IRA-approved plan that allows large annual contributions with tax-deferred growth. When combined with a 401(k), you can:

- Maximize owner and key employee contributions.
- Reduce taxable income during peak earning years.
- Offer employees a secure retirement benefit.

\*2026 plan maximum contributions for a 60-year old, including "catch-up" contribution of \$11,250 for 401(k).

## Plan owner scenarios

See how different professionals use 401(k) + cash balance plans to maximize savings and retirement outcomes.

**Engineering firm with 5 employees**

**Objective:** Increase retirement savings with a pension-style benefit while keeping employee costs predictable.

**Owner age:** 52    **Compensation:** \$350,000

2026 Contribution Potential	401(k) only	401(k) + Cash Balance
<b>2026 contribution</b>	\$80,000	\$230,000
<b>Tax savings at 35%</b>	\$28,000	\$80,500
<b>Projected balance at age 65</b>	\$1.51 M	\$4.34 M

**Professional services firm with 2 partners and 4 employees**

**Objective:** Provide a plan design that supports higher savings for both partners, with flexibility to contribute at different levels based on cash flow and ownership share.

**Partner 1 age:** 52    **Partner 2 age:** 50  
**Compensation:** \$350,000    **Compensation:** \$250,000

2026 Contribution Potential	401(k) only	401(k) + Cash Balance
<b>Partner 1</b>		
<b>2026 contribution</b>	\$80,000	\$260,000
<b>Tax savings at 35%</b>	\$28,000	\$91,000
<b>Projected balance at age 65</b>	\$1.06 M	\$3.44 M
<b>Partner 2</b>		
<b>2026 contribution</b>	\$80,000	\$210,000
<b>Tax savings at 35%</b>	\$28,000	\$73,500
<b>Projected balance at age 65</b>	\$1.9 M	\$4.99 M

**Family owned business with 8 employees**

**Objective:** Accelerate retirement savings as part of succession planning while providing stable employee benefits.

**Owner age:** 60    **Compensation:** \$325,000

2026 Contribution Potential	401(k) only	401(k) + Cash Balance
<b>2026 contribution</b>	\$83,250	\$280,000
<b>Tax savings at 35%</b>	\$29,138	\$98,000
<b>Projected balance at age 65</b>	\$468,000	\$1.57 M

Estimates based on 2026 IRS contribution limits. Assumes 6% annual return. For illustrative purposes only. Individual results may vary.

## Powering retirement savings with higher contribution potential

Whether your goal is maximizing tax savings, accelerating retirement contributions, or offering a competitive benefit to employees, a 401(k) + Cash Balance plan helps business owners fund long-term goals beyond what a 401(k) can offer alone.

### Contact us to learn more.

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