

Sample Test Company

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

123 N. Main Street

Anytown, IL 10000

(630) 325-2600

Sales@calcairebs.com

Calcairebs.com

Employer ID Number: 11-2233444

Three Digit Plan Number: 001

Prepared By: ABC TPA, Inc.



Plan Provisions

Sample Cash Balance Plan For the plan year 01/01/2024 through 12/31/2024

| | | | |
|-------------------------------------|--|--|---------------------------------------|
| <u>Employer:</u> | Sample Test Company | | |
| | Type of Entity - | C Corporation | |
| | EIN: 11-2233444 | TIN: | Plan #: 001 Plan Type: Cash Balance |
| <u>Dates:</u> | Effective - 01/01/2023 | | Valuation - 12/31/2024 |
| | Top Heavy Years - 2024 | | |
| <u>Eligibility:</u> | All employees excluding non-resident aliens, members of an excluded class and union | | |
| | Minimum age - 21 | Months of service - 12 | |
| | Hours Required for - | Eligibility - 1000 | Benefit accrual - 1000 Vesting - 1000 |
| | Plan Entry - | First day of 1st or 7th month of plan year on or next following eligibility satisfaction | |
| <u>Retirement:</u> | Normal - | First of month coincident with or next following attainment of age 62 and completion of 5 years of participation | |
| | Early - | Not provided | |
| <u>Average Compensation:</u> | Current compensation | | |
| | Top Heavy Minimum Benefit - | Highest 5 consecutive top heavy years of participation | |
| <u>Plan Benefits:</u> | Retirement - | Actuarial equivalent of the hypothetical account balance derived from annual Pay Credits and Interest Credits | |
| | Pay Credits - | Classification | Pay Credit Formula |
| | | B | \$50,000 |
| | | CLERKS | 3% of compensation |
| | | OWNERS | \$100,000 |
| | Minimum pay credit to provide a life annuity at retirement of 0.5% of compensation per year of participation | | |
| | Interest Credit Rate - | Current Yr - 5% | Projected Yrs - 5% |
| | Accrued Benefit - | Hypothetical Account Balance | |
| | | Minimum Benefit - None | |
| | | Maximum Benefit - None | |
| | Maximum allowable distribution is lump sum equivalent of normal form not to exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) plan actuarial equivalence interest and mortality | | |
| | Early Retirement - | None | |
| | Death Benefit - | Present Value of Accrued Benefit | |
| | Disability Benefit - | None | |
| <u>Top Heavy Minimum:</u> | 2% of average compensation per top heavy year of participation excluding years prior to the adoption date of the plan and 1984 (if earlier), limited to 10 years | | |
| <u>IRS Limitations:</u> | 415 Limits - | Percent: 100 | Dollar: \$275,000 |
| | Maximum 401(a)(17) compensation - \$345,000 | | |
| <u>PBGC:</u> | Plan is covered by Pension Benefit Guaranty Corporation | | |
| <u>Normal Form:</u> | Life Annuity | | |
| <u>Optional Forms:</u> | Lump Sum | | |
| | Life Annuity Guaranteed for 10 Years | | |
| | Joint with 50%, 75% or 100% Survivor Benefit | | |



Plan Provisions

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

Vesting Schedule:

100% vested in 3 years.

Service is calculated using all years of service

Present Value of Accrued Benefit: Based on the Hypothetical Account Balance.

Actuarial Equivalence:

Pre-Retirement - Interest - 5%

Mortality Table - None

Post-Retirement - Interest - 5%

Mortality Table - G94 - 1994 Group Annuity Reserving Proj 2002, Scale AA (unisex)



Actuarial Assumptions and Methods

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

Valuation Date: 12/31/2024

Funding Method: As prescribed in IRC Section 430
Age - Eligibility age at last birthday and other ages at nearest birthday

Retrospective Compensation - Current compensation

Form of Payment - Assumed form of payment for funding is lump sum which is the Hypothetical Account Balance. Funding Target for lump sum is the current Hypothetical Account Balance projected to the assumed retirement date using the Interest Credit Rate discounted using appropriate segment rate. Lump sum on plan actuarial equivalence rates will not exceed 415 maximum allowable distribution, which is the lesser amount computed using a) 5.5% interest and the Applicable Mortality Table or b) plan actuarial equivalence interest and mortality

Interest Rates -

Segment rates for the Valuation Date as permitted under IRC 430(h)(2)(C)

| Segment # | Year | Rate % |
|-----------|--------|--------|
| Segment 1 | 0 - 5 | 5.01 |
| Segment 2 | 6 - 20 | 5.26 |
| Segment 3 | > 20 | 5.36 |

Segment rates as of September 30, 2023 As permitted under IRC 430(h)(2)(C)(iv)(II) - ARP

| Segment # | Year | Rate % |
|-----------|--------|--------|
| Segment 1 | 0 - 5 | 5.01 |
| Segment 2 | 6 - 20 | 5.26 |
| Segment 3 | > 20 | 5.59 |

Pre-Retirement - Mortality Table - None
Improvement Scale - None
Early Retirement Table - None
Turnover Table - None
Disability Table - None
Salary Scale - None
Interest Credit Rate - Current Yr - 5% Projected Yrs - 5%
Expense Load - None
Ancillary Ben Load - None

Post-Retirement - Mortality Table - 24C - 2024 Combined
Improvement Scale - None
Cost of Living - None

Asset Valuation Method: Fair market value of assets adjusted for contributions under IRC 430(g)(4)

Discrimination Test Assumptions:

HCE Determination - Based on all employees

Otherwise Excludable - Otherwise Excludable HCEs are included with the Not Otherwise Excludable employees

410(b)/401(a)(4) Testing:

Pre-Retirement - Interest - 8.5% CB Projection Rate - 5%

Post-Retirement - Interest - 8.5%
Mortality Table - U84 - 1984 Unisex

Permissively Aggregated Plans - Tested as a Single Plan

Compensation - Use current compensation to calculate the benefit accrual rate (annual method)

Testing Age - Normal retirement age or attained age, if older

Normal Form for MVAR - Joint with 100% Survivor Benefits



Actuarial Assumptions and Methods

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

401(a)(26) Testing:

Compensation - Use current compensation to calculate the benefit accrual rate for 401(a)(26)

Testing Age - Normal retirement age or attained age, if older



Employee Census

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

Valuation Date: 12/31/2024

| — Ages ————— Dates ————— | | | | | | | | | | | | | | |
|--|---------------|---------|----|----|--------|----|----|-----|----------|----------|----------|----------|--------------|----------------------|
| Key | Percent Owner | — SVC — | PS | FS | Gender | PA | AA | ARA | Birth | Hire | Part | Retire | Compensation | Hours Worked HCE OEX |
| 1 Cal Armstrong | | | | | | | | | | | | | | |
| Y | 100.00 | | 2 | 3 | M | 74 | 76 | 79 | 10/16/48 | 03/14/92 | 01/01/23 | 01/01/28 | \$330,000.00 | * Y |
| 2 Amy Armstrong -- ineligible - minimum service, anticipated participation 7/1/2025 | | | | | | | | | | | | | | |
| | | | 0 | 0 | F | 0 | 40 | 0 | 04/15/85 | 02/10/24 | | | \$0.00 | * Y |
| 3 Larry Light -- new participant - less than required hours | | | | | | | | | | | | | | |
| | | | 0 | 39 | M | 22 | 23 | 62 | 01/12/02 | 11/25/21 | 01/01/24 | 02/01/64 | \$6,500.00 | 650.00 |
| 5 Ava Pearl -- ineligible - minimum service, anticipated participation 7/1/2025 | | | | | | | | | | | | | | |
| | | | 0 | 0 | F | 0 | 51 | 0 | 03/18/74 | 05/31/24 | | | \$0.00 | * |
| 6 Irene Strong | | | | | | | | | | | | | | |
| | | | 2 | 3 | F | 58 | 60 | 63 | 09/05/64 | 08/22/03 | 01/01/23 | 01/01/28 | \$52,000.00 | * |
| 7 Ruth Timmons | | | | | | | | | | | | | | |
| | | | 2 | 3 | F | 80 | 82 | 85 | 11/19/42 | 10/31/94 | 01/01/23 | 01/01/28 | \$140,000.00 | * |
| 8 Evie Waters -- new participant | | | | | | | | | | | | | | |
| | | | 1 | 39 | F | 22 | 23 | 62 | 01/12/02 | 11/25/22 | 01/01/24 | 02/01/64 | \$4,000.00 | * |
| 9 Bob Wonder | | | | | | | | | | | | | | |
| | | | 2 | 3 | M | 78 | 80 | 83 | 08/07/44 | 04/13/04 | 01/01/23 | 01/01/28 | \$69,000.00 | * |
| 99 Summer Worth -- new participant | | | | | | | | | | | | | | |
| | | | 1 | 39 | F | 22 | 23 | 62 | 08/25/01 | 01/01/23 | 01/01/24 | 09/01/63 | \$30,000.00 | * |

Total: \$631,500.00

| | Count | Compensation |
|--|-------|--------------|
| Active Fully Vested Benefits | 4 | \$591,000 |
| Active Partially Vested Benefits | 0 | \$0 |
| Active Without Vested Benefits | 3 | \$40,500 |
| Terminated with Vested Benefits | 0 | \$0 |
| Terminated without Vested Benefits | 0 | \$0 |
| Terminated with Deferred Vested Benefits | 0 | \$0 |
| Terminated - Paid Out | 0 | \$0 |
| Currently Receiving Benefits | 0 | \$0 |
| Inactives | 0 | \$0 |
| Ineligibles | 2 | \$0 |

* Employee worked more than minimum hours required for service credit.

Key:

| | |
|----------------------------|---------------------------------|
| AA=Attained Age | HCE=Highly Compensated Employee |
| ARA=Assumed Retirement Age | OEX=Otherwise Excludable |
| BIS=Break in Service | PA=Participation Age |
| F=Former Key | PS=Past Service |
| FS=Future Service | |



Account Balance Statement

Sample Cash Balance Plan For the plan year 01/01/2024 through 12/31/2024

Valuation Date: 12/31/2024

| | Beginning Balance | Interest Credit | Pay Credit | Distribution | Adjustments | Ending Balance | Vested Percent | Amount |
|---|----------------------|--------------------|---------------|--------------|-------------|-------------------|-------------------|--------------|
| 1 Cal Armstrong | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | 100,000.00 | 5,000.00 | 100,000.00 | 0.00 | 0.00 | 205,000.00 | 100 | 205,000.00 |
| 6 Irene Strong | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | 2,633.04 | 131.65 | 2,764.69 | 0.00 | 0.00 | 5,529.38 | 100 | 5,529.38 |
| 7 Ruth Timmons | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | 4,200.00 | 210.00 | 3,219.89 | 0.00 | 0.00 | 7,629.89 | 100 | 7,629.89 |
| 8 Evie Waters -- new participant | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | 0.00 | 0.00 | 120.00 | 0.00 | 0.00 | 120.00 | 0 | 0.00 |
| 9 Bob Wonder | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | 2,040.00 | 102.00 | 2,070.00 | 0.00 | 0.00 | 4,212.00 | 100 | 4,212.00 |
| 99 Summer Worth -- new participant | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 900.00 | 0 | 0.00 |
| Grand Total: | \$108,873.04 | \$5,443.65 | \$109,074.58 | \$0.00 | \$0.00 | \$223,391.27 | | \$222,371.27 |
| Totals for each account: | | | | | | | | |
| Cash Balance | | | | | | | | |
| Cash Balance | \$108,873.04 | \$5,443.65 | \$109,074.58 | \$0.00 | \$0.00 | \$223,391.27 | | \$222,371.27 |



Schedule of Benefits

Sample Cash Balance Plan For the plan year 01/01/2024 through 12/31/2024

| | | | | | Current | | | | |
|---|--|--------------------|-------------------|--------------------|-------------|------------------------------|---|------------------|--|
| Beg Year Acc Ben Monthly Compensation | End Year Acc Ben Monthly Compensation | Monthly Benefit | Lump Sum @ Ret | Accrued Benefit | Vest Pct | Vested Accrued Benefit | Present Value of Vested Accrued Benefit | Death Benefit | |
| | | | | | | | | | |
| 1 Cal Armstrong | | | | | | | | | |
| 27,500.00 | 27,500.00 | 6,414.18 | 552,563 | 2,754.74 | 100 | 2,754.74 | 205,000 | 205,000 | |
| 3 Larry Light -- new participant - less than required hours | | | | | | | | | |
| 0.00 | 541.67 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0 | |
| 6 Irene Strong | | | | | | | | | |
| 4,333.33 | 4,333.33 | 346.67 | 51,208 | 86.67 | 100 | 86.67 | 11,059 | 11,059 | |
| 7 Ruth Timmons | | | | | | | | | |
| 11,666.67 | 11,666.67 | 933.33 | 59,638 | 233.33 | 100 | 233.33 | 12,879 | 12,879 | |
| 8 Evie Waters -- new participant | | | | | | | | | |
| 0.00 | 333.33 | 95.70 | 14,555 | 6.67 | 0 | 0.00 | 0 | 151 | |
| 9 Bob Wonder | | | | | | | | | |
| 5,666.67 | 5,750.00 | 460.00 | 32,305 | 115.00 | 100 | 115.00 | 6,977 | 6,977 | |
| 99 Summer Worth -- new participant | | | | | | | | | |
| 0.00 | 2,500.00 | 714.84 | 108,720 | 50.00 | 0 | 0.00 | 0 | 1,153 | |
| Totals: | \$49,166.67 | \$52,625.00 | \$8,964.72 | \$818,989 | \$3,246.41 | \$3,189.74 | \$235,915 | | |

Disclaimer: The PVVABs shown on this report should not be used for distribution purposes.



Valuation Statement

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

Valuation Date: 12/31/2024

| | Benefit | Funding Target | Benefit Increase | Target Normal Cost |
|---|----------|-------------------|---------------------|-----------------------|
| 1 Cal Armstrong | 1,410.96 | 104,970 | 1,343.78 | 99,972 |
| 3 Larry Light -- new participant - less than required hours | 0.00 | 0 | 0.00 | 0 |
| 6 Irene Strong | 21.66 | 2,763 | 65.01 | 8,292 |
| 7 Ruth Timmons | 79.90 | 4,409 | 153.43 | 8,467 |
| 8 Evie Waters -- new participant | 0.00 | 0 | 6.67 | 121 |
| 9 Bob Wonder | 35.31 | 2,142 | 79.69 | 4,833 |
| 99 Summer Worth -- new participant | 0.00 | 0 | 50.00 | 928 |
| Grand Totals: | | \$114,284 | | \$122,613 |



Maximum Contribution 404(o)

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

Valuation Date: 12/31/2024

Maximum Contribution

| | |
|---|---------|
| 1) Funding Target | 114,284 |
| 2) Target Normal Cost | 122,706 |
| 3) 50% of the Funding Target | 57,143 |
| 4) Increase in Funding Target Due to Salary Increases | 0 |
| 5) Cushion Amount (3+4) | 57,143 |
| 6) Total (1+2+5) | 294,133 |
| 7) Funding Target as if At-Risk | 116,543 |
| 8) Target Normal Cost as if At-Risk | 125,755 |
| 9) Total (7+8) | 242,298 |
| 10) Greater of 6 and 9 | 294,133 |
| 11) 404 Assets | 117,325 |
| 12) Undeducted Contributions | 0 |
| 13) Maximum Contribution (IRC 404(o) (10-(11-12))) | 176,808 |



Maximum Contribution 404(o) (Detail)

Sample Cash Balance Plan

For the plan year 01/01/2024 through 12/31/2024

Valuation Date: 12/31/2024

| | Projected Comp Accrued Benefit | Projected Funding Target | Funding Target | Target Normal Cost | 50% Funding Target | Increase in Funding Target | Cushion Amount | At-Risk | |
|---|---|--------------------------------|-------------------|-----------------------|--------------------------|----------------------------------|-------------------|-------------------|-----------------------|
| | | | | | | | | Funding Target | Target Normal Cost |
| | | | | | | | | | |
| | | | | | | | | | |
| 1 Cal Armstrong | | | | | | | | | |
| | 1,410.96 | 104,970 | 104,970 | 99,972 | 52,485 | 0 | 52,485 | 106,621 | 101,544 |
| 3 Larry Light -- new participant - less than required hours | | | | | | | | | |
| | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Irene Strong | | | | | | | | | |
| | 21.66 | 2,763 | 2,763 | 8,292 | 1,382 | 0 | 1,382 | 2,896 | 8,692 |
| 7 Ruth Timmons | | | | | | | | | |
| | 79.90 | 4,409 | 4,409 | 8,467 | 2,205 | 0 | 2,205 | 4,871 | 9,354 |
| 8 Evie Waters -- new participant | | | | | | | | | |
| | 0.00 | 0 | 0 | 132 | 0 | 0 | 0 | 0 | 150 |
| 9 Bob Wonder | | | | | | | | | |
| | 35.31 | 2,142 | 2,142 | 4,833 | 1,071 | 0 | 1,071 | 2,155 | 4,863 |
| 99 Summer Worth -- new participant | | | | | | | | | |
| | 0.00 | 0 | 0 | 1,010 | 0 | 0 | 0 | 0 | 1,152 |
| Totals: | \$1,547.83 | \$114,284 | \$114,284 | \$122,706 | \$57,143 | \$0 | \$57,143 | \$116,543 | \$125,755 |



Benefit Limits (415, 416 & 417(e))

Sample Cash Balance Plan For the plan year 01/01/2024 through 12/31/2024

| Benefits | | | Lump Sum Values | | | | | | |
|--|------------|------------|----------------------|--------------------|---------------|--------------------------|--|--------|------------------------|
| Projected | Accrued | Top Heavy | 415 Max Projected | 415 Max Accrued | 415 Offset | 415 Max Proj Lump Sum | Plan PVAB (Distributions Limited to 415 Limits) | 417(e) | 415 Maximum PVAB |
| 1 Cal Armstrong | | | | | | | | | |
| 6,414.18 | 2,754.74 | 0.00 | 27,500.00 | 15,005.84 | 0.00 | 2,369,045 | 205,000 | | 1,114,758 |
| 3 Larry Light -- new participant - less than required hours | | | | | | | | | |
| 0.00 | 0.00 | 0.00 | 541.67 | 38.89 | 0.00 | 82,383 | 0 | | 8,321 |
| 6 Irene Strong | | | | | | | | | |
| 346.67 | 86.67 | 86.67 | 4,583.33 | 4,583.33 | 0.00 | 677,021 | 11,059 | | 640,032 |
| 7 Ruth Timmons | | | | | | | | | |
| 933.33 | 233.33 | 233.33 | 12,500.00 | 12,500.00 | 0.00 | 798,732 | 12,879 | | 935,492 |
| 8 Evie Waters -- new participant | | | | | | | | | |
| 95.70 | 6.67 | 6.67 | 333.33 | 52.53 | 0.00 | 50,696 | 151 | | 11,239 |
| 9 Bob Wonder | | | | | | | | | |
| 460.00 | 115.00 | 115.00 | 5,833.33 | 5,833.33 | 0.00 | 409,667 | 6,977 | | 475,738 |
| 99 Summer Worth -- new participant | | | | | | | | | |
| 714.84 | 50.00 | 50.00 | 2,500.00 | 500.00 | 0.00 | 380,226 | 1,153 | | 49,450 |
| Totals: | \$8,964.72 | \$3,246.41 | | | | \$4,767,770 | \$237,219 | | \$3,235,030 |

