

Valuation Results

Sample Cash Balance Plan

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

Valuation Date: 12/31/2024

<u>Rates For:</u>	<u>1st Segment</u>	<u>2nd Segment</u>	<u>3rd Segment</u>	
IRC 430	5.01%	5.26%	5.59%	
IRC 404	5.01%	5.26%	5.36%	
Effective Interest Rate:	5.01%	Current Year Actual Rate of Return:	9.21%	Current Year Projection Rate: 5.00%
Prior Year Effective Interest Rate:	4.75%	Prior Year Actual Rate of Return:	5.69%	Prior Year Projection Rate: 5.00%
				Future Projection Rate: 5.00%

A. 430 Valuation Results

1. Funding Target	114,284
Normal Retirement	114,284
2. Target Normal Cost	122,613
Normal Retirement	122,613
3. Assets	117,325
4. Undeducted Contributions	0
5. Funding Target as if At-Risk	116,463
6. Target Normal Cost as if At-Risk	125,630

B. Carryover and Prefunding Balances

a. Carryover

b. Prefunding

1. Prior Year Balance	0	0
2. Balance Used to Offset Prior Year Funding Requirement	0	0
3. Amount Remaining (B1-B2)	0	0
4. Interest Using Prior Year Actual Rate of Return	0	0
5. Prior Year Excess Contribution		2,336
6. Interest at Prior Year Effective Rate		0
7. Total Available to Add to Prefunding Balance (B5+B6)		2,336
8. Portion of B7 to Add to Prefunding Balance		2,336
9. Reduction in Balance Due to Voluntary Election	0	0
10. Reduction in Balance Due to Deemed Election	0	0
11. Balance for Current Year (B3+B4+B8-B9-B10)	0	2,336
12. Balance Adjusted to Valuation Date	0	2,453



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C. Funding Shortfall and Shortfall Amortization Charge

Early Deemed Amortization of Shortfall

1. Funding Target (A1)	114,284
2. Assets (A3)	117,325
3. Carryover Balance (B12a)	0
4. Prefunding Balance (B12b)	2,453
5. Applicable Assets (IRC 430(f)(4)(B)(i) (C2-C3-C4))	114,872
6. Funding Shortfall (IRC 430(c)(4) (C1-C5, not less than 0))	0
(if C6 is zero, all bases deemed to be fully amortized)	

Exemption from New Shortfall Amortization Base

7. Funding Target (A1)	114,284
8. Applicable Percentage (IRC 430(c)(5)(B)(ii))	100%
9. Reduced Funding Target (C7*C8)	114,284
10. Assets (A3)	117,325
11. Prefunding Balance (B12b if IRC 430(f)(3) election made)	2,453
12. Applicable Assets (IRC 430(f)(4)(A) (C10-C11))	114,872
13. Funding Shortfall (IRC 430(c)(5) (C9-C12, not less than 0))	0
(if C13 is zero, exempt from new shortfall base)	

Funding Shortfall

14. Reduced Funding Target (C9)	114,284
15. Applicable Assets (IRC 430(f)(4)(B)(i) (C5))	114,872
16. Funding Shortfall (IRC 430(c)(3) (C14-C15, not less than 0))	0
17. Shortfall Amortization Charge (C25a)	0

Prior Year Amortization Installments

	a. Shortfall	b. 412(c) Waiver
18. Current Year	0	0
19. PV Prior Yrs Amort	0	
20. PV Prior Yrs Waiver	0	
21. Amortization Base	0	0
22. Amortization Factor	10.75661	4.53734
23. Amortization Installment	0	0
24. Prior Yr Installments	0	0
25. Amortization Charge	0	0

(Waiver Installment applies next year)



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D. 430 Minimum Required Contribution

1. Target Normal Cost (A2)	122,613
2. Funding Surplus (C5-A1, not less than 0)	588
3. Reduced Target Normal Cost (D1-D2, not less than 0)	122,025
4. Shortfall Amortization Charge (C17)	0
5. Waiver Amortization Charge	0
6. Minimum Required Contribution (D3+D4+D5)	122,025

E. 404 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 (E3+E4)	57,143
6. Total (E1+E2+E5)	294,133
7. Funding Target as if At-Risk	116,543
8. Target Normal Cost as if At-Risk	125,755
9. Total (E7+E8)	242,298
10. Greater of E6 and E9	294,133
11. 404 Assets	117,325
12. Undeducted Contributions (A4)	0
13. Maximum Contribution (E10-(E11-E12))	176,808



Schedule SB (Form 5500)

Sample Cash Balance Plan

11-2233444 / 001

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

Basic Information

1. Valuation date: 12/31/2024

2. Assets:

a. Market value	117,325
b. Actuarial value	117,325

3. Funding target/participant count breakdown

- a. Retired participants and beneficiaries receiving payments
- b. Terminated vested participants
- c. Active participants
- d. Total

1. Number of Participants	2. Vested Funding Target	3. Funding Target
0	0	0
0	0	0
7	114,284	114,284
7	114,284	114,284

4. At-risk

- a. Funding target disregarding prescribed at-risk assumptions
- b. Funding target reflecting at-risk assumptions, but disregarding transition rule (at-risk <5 cons yrs) and loading factor

5. Effective interest rate 5.01%

6. Target normal cost

a. Present value of current plan year accruals	122,613
b. Expected plan-related expenses	0
c. Total (6a+6b)	122,613

Beginning of year carryover and prefunding balances

7. Balance at beginning of prior year

8. Offset to prior years funding requirement

9. Amount remaining (7-8)

10. Int on 9 using prior years actual return of 5.69%

11. Prior years excess contributions

- a. Excess contributions (line 38 from prior year) 2,336
- b(1). Int on excess (line 38a over 38b) using prior yr's effective rate of 4.75% 0
- b(2). Int on 38b using prior yr's actual return rate of 5.69% 0
- c. Total available at beginning of current plan year 2,336
- d. Portion of (c) added to prefunding balance 2,336

12. Voluntary or Deemed Reduction 0

13. Balance at beginning of current year (9+10+11d-12) 2,336

a. Carryover Balance	b. Prefunding Balance
0	0
0	0
0	0
0	0
	2,336
	0
	0
	2,336
	2,336
0	0
0	2,336

Funding percentages

14. FTAP 100.51%

15. AFTAP 49.47%

16. Prior years funding percentage 80.00%

17. Percentage of funding target (<70%)



Schedule SB (Form 5500)

Sample Cash Balance Plan

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

Contributions and liquidity shortfalls

18. Contributions made to plan 123,897
09/15/2025 - 123,897
19. Discounted employer contributions:
- a. Contributions to unpaid minimum from prior years 0
 - b. Contributions to avoid restrictions 0
 - c. Contributions to minimum for current year 119,689

Assumptions used to determine funding target and target normal cost

21. Discount rate:
- a. Segment rates
- | 1st | 2nd | 3rd |
|------|------|------|
| 5.01 | 5.26 | 5.59 |
- ☐ N/A, full yield curve used
- b. Applicable month - Valuation date 0
22. Weighted average retirement age 79
23. Mortality table ☒ Prescribed -- combined ☐ Prescribed -- separate ☐ Substitute

Reconciliation of unpaid required contributions for prior years

28. Unpaid minimum required contributions 0
29. Discounted employer contributions 0
30. Remaining amount (28-29) 0

Minimum required contribution for current year

31. Target normal cost and excess assets
- a. Target normal cost 122,613
 - b. Excess assets, if applicable, but not greater than 31a 588
32. Amortization installments:
- | | Outstanding Balance | Installment |
|------------------|---------------------|-------------|
| a. Net shortfall | 0 | 0 |
| b. Waiver | 0 | 0 |
34. Total funding requirement (31a-31b+32a+32b) 122,025
- | | a. Carryover Balance | b. Prefunding Balance | c. Total Balance |
|--|----------------------|-----------------------|------------------|
| 35. Balances to offset funding requirement | 0 | 2,336 | 2,336 |
36. Additional cash requirement (34-35) 119,689
37. Contributions to minimum for current year (19c) 119,689
38. Present value of excess contribution for current year
- a. Total (excess, if any, of 37 over 36) 0
 - b. Portion included in 38a attributable to use of balances 0
39. Unpaid minimum required contributions for current year 0
40. Unpaid minimum required contributions for all years 0



Schedule SB (Form 5500)

Sample Cash Balance Plan

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

Pension funding relief under ARP

41. If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies

☐ 2019 ☐ 2020 ☐ 2021



Actuarial Certification and Disclosures

Sample Cash Balance Plan

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

Valuation Date: 12/31/2024

The Actuarial Report is comprised of the Actuarial Communications and Documents listed below for the above reference plan year:

- Valuation report including Plan Provisions and applied Actuarial Assumptions and Methods
- Form 5500 Schedule SB and its attachments
- AFTAP Certification(s)
- Pension Benefit Guaranty Corporation (PBGC) Premium Certification
- Contribution letter/communication
- Any other written, electronic or oral communications with respect to actuarial services provided in connection with the issuance of the valuation report

Customized Language for the ASOP Disclosures can be added here

Reilly Smart, EA

Date

23-01234
Enrollment Number

Enrolled Actuary
Sample Test Company
123 Main Street
Anytown, MO 12365-
rsmart@actuaries.com
Phone #: (800) 588-2300
Fax #: (800) 588-2330

Administrator of the
Sample Cash Balance Plan
123 N. Main Street
Anytown, IL 10000

Certification of Adjusted Funding Target Attainment Percentage (AFTAP) for the 2025 Plan Year

The Pension Protection Act of 2006 (PPA) and Section 436 of the Internal Revenue Code require the calculation of a funding ratio called the Adjusted Funding Target Attainment Percentage (AFTAP) in order to determine whether the Plan is subject to new restrictions on plan amendments, lump sum distributions and benefit accruals.

Determination of AFTAP as of December 31, 2024

1. Funding Target plus Target Normal Cost	\$236,897
2. a. Market Value of Assets	\$117,325
b. Discounted Receivable Contributions, Received by AFTAP Certification date	0
c. Carryover Balance	0
d. Carryover Balance Voluntary Reduction	0
e. Carryover Balance Deemed Reduction to Avoid Restrictions	0
e1. Deemed Reduction due to Presumed AFTAP at Beginning of Plan Year	0
e2. Deemed Reduction due to Presumed AFTAP at Beginning of Fourth Month	0
e3. Deemed Reduction at Certification of AFTAP	0
f. Remaining Carryover Balance (2c - 2d - 2e)	0
g. Prefunding Balance	121
h. Portion of Excess Contribution to Add to Prefunding Balance	0
i. Prefunding Balance Voluntary Reduction	0
j. Prefunding Balance Deemed Reduction to Avoid Restrictions	0
j1. Deemed Reduction due to Presumed AFTAP at Beginning of Plan Year	0
j2. Deemed Reduction due to Presumed AFTAP at Beginning of Fourth Month	0
j3. Deemed Reduction at Certification of AFTAP	0
k. Remaining Prefunding Balance (2g + 2h - 2i - 2j)	121
3. Funding Target Attainment Percentage (FTAP Exempt) (equals items (2a + 2b) divided by item 1)	49.52%
4. Adjustment for Annuity Purchases for NHCE's during the last 2 years	\$0
5. Adjusted Funding Target Attainment Percentage (AFTAP) (equals items (2a + 2b - 2f - 2k + 4) divided by items (1 + 4))	49.47%

	03/31/2025	23-01234
Reilly Smart, EA	Date	Enrollment Number

To the best of my knowledge, the information supplied in this certification is complete and accurate. I have relied on the asset, census, and plan provision information that has been provided by the Plan's third party administrator and/or Plan Administrator. Regulations for determining an AFTAP for a plan with an end of year valuation are not issued; however, this certification represents a good faith interpretation of the law.



Sample Cash Balance Plan

Assumptions Used for Determination of 2025 AFTAP as of December 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)



Funding Election Form 430(g/h)

Sample Cash Balance Plan

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Pursuant to the prescribed funding method under Internal Revenue Code Section 430, and as permitted under Regulations 1.430(g)-1(b)(2)(iv), 1.430(g)-1(c) and 1.430(h)(2)-1(e), I, as the Plan Sponsor, hereby provide you, Reilly Smart, EA, the plan's Enrolled Actuary and, additionally, to the Plan Administrator the following elections(s) for the above named plan for the plan year beginning 01/01/2024 and thereafter, if not revoked:

1. Applicable Month (Sch SB line 21b)

☒ Use the month containing the valuation date

Use ☐ 1st, ☐ 2nd, ☐ 3rd, or ☐ 4th month preceding the month which includes the valuation date

2. Interest Rates (Sch SB line 21a)

☒ Use funding segment rates as specified in Code Section 430(h)(2)(B) and (C)

☐ Use the bond rates full yield curve as specified in Code Section 430(h)(2)(D)

3. Plan Assets (Sch SB line 2b)

☒ Use fair market value of assets

☐ Use average value of assets

4. Valuation Date (Sch SB line 1)

☐ Use beginning of plan year

☒ Use end of plan year (only available for small plans with 100 or fewer participants per Reg. 1.430(g)-1(b)(2))

5. Mortality Table (Sch SB line 23)

☐ Use prescribed separate mortality tables

☒ Use prescribed combined mortality table (only available for small plans with 500 or fewer participants per Reg. 1.430(h)(3)-1(b)(2))

I understand any election made above will remain in effect for the plan unless the election is revoked/changed by 1) written notification to the plan's Enrolled Actuary and the Plan Administrator on or before the filing due date (including extensions) of the Schedule SB of Form 5500 and 2) with consent of the Commissioner.

Plan Sponsor Signature

Date



Standing Election Form

Sample Cash Balance Plan

11-2233444/001

As permitted under Regulation 1.430(f) - 1(f)(1)(ii), I, as the Plan Sponsor, hereby provide you, Reilly Smart, EA, the plan's Enrolled Actuary and, additionally, to the Plan Administrator the following standing election(s) for the above named plan for the plan year beginning 01/01/2024 and thereafter, if in effect:

- ☒ Use the funding standard carryover balance and the prefunding balance to offset the minimum required contribution for the plan year to the extent needed to avoid an unpaid minimum required contribution under Section 4971(c)(4) taking into account any contributions that are or are not made.
- ☒ Add the maximum amount possible each year to the prefunding balance.

I understand any standing election is deemed to occur on the last day available to make such election for the plan year as provided under Regulation 1.430(f)-1(f)(2). I further understand any standing election made above will remain in effect for the plan with respect to the Enrolled Actuary named above, unless the standing election is revoked by 1) written notification to the plan's Enrolled Actuary and the Plan Administrator on or before the date the corresponding election is deemed to occur, or 2) the plan's Enrolled Actuary who signs the Schedule SB is not the Enrolled Actuary named above.

Plan Sponsor Signature

Date



Election to Apply Balances

Sample Cash Balance Plan

11-2233444/001

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

Valuation Date: 12/31/2024

As permitted under Regulations 1.430(f)-1(d), I, as the Plan Sponsor, hereby provide you, Reilly Smart, EA, the plan's Enrolled Actuary and, additionally, to the Plan Administrator the following election for the above named plan for the plan year stated above:

Apply Balances to Minimum Required Contribution at the valuation date (Sch SB line 35)

☒ Use \$2,336 of the prefunding balance and apply it to the minimum required contribution

Plan Sponsor Signature

Date

