

## **Sample Test Company**

### **Sample Defined Benefit 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: 009**

**Prepared By: ABC TPA Company**



# Plan Provisions

## Sample Defined Benefit Plan

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

**Employer:**

Sample Test Company

Type of Entity - C Corporation

EIN: 11-2233444

TIN:

Plan #: 009

Plan Type: Defined Benefit

**Dates:**

Effective - 01/01/2023

Valuation - 12/31/2024

**Eligibility:**

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

**Retirement:**

Normal - First of month coincident with or next following attainment of age 62 and completion of 5 years of participation

Early - Not provided

**Average Compensation:**

Highest 3 consecutive years of participation

Top Heavy Minimum Benefit - Highest 5 consecutive top heavy years of participation

**Plan Benefits:**

Retirement - Derived from the unit credit benefit formula below:

10% of average monthly compensation per year of participation beginning year 1 limited to 10 year(s)

Accrued Benefit - Unit credit based on participation

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) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum

Early Retirement - None

Death Benefit - Present Value of Accrued Benefit

Disability Benefit - None

**Top Heavy Minimum:**

None

**IRS Limitations:**

415 Limits -    Percent: 100    Dollar: \$275,000

Maximum 401(a)(17) compensation - \$345,000

**PBGC:**

Plan is covered by Pension Benefit Guaranty Corporation

**Normal Form:**

Life Annuity

**Optional Forms:**

Lump Sum

Life Annuity Guaranteed for 10 Years

Joint with 50%, 75% or 100% Survivor Benefit

**Vesting Schedule:**

Years	Percent
0-1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Service is calculated using all years of service



# Plan Provisions

## Sample Defined Benefit Plan For the plan year 01/01/2024 through 12/31/2024

**Present Value of Accrued Benefit:** Based on the greater of 417(e) or Actuarial Equivalence

**417(e):**

Interest Rates -

Second Month Prior to Plan Yr Beg		
Segment #	Years	Rate %
Segment 1	0 - 5	5.50
Segment 2	6 - 20	5.76
Segment 3	> 20	5.83

Mortality Table - 24E - 2024 Applicable Mortality Table for 417(e) (unisex)

**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 Defined Benefit 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 - Highest 3 consecutive years of participation

Form of Payment - Assumed form of payment for funding is lump sum equivalent of normal form. Funding Target for lump sum is the greater of the present value of accrued benefit computed using funding segment rates and 417(e) Applicable Mortality Table or lump sum at the assumed retirement date of accrued benefit using plan actuarial equivalence 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) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum

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  
Expense Load - None  
Ancillary Ben Load - None

Post-Retirement - Mortality Table - 24C - 2024 Combined  
Improvement Scale - None  
Cost of Living - None  
Lump Sum - G94 - 1994 Group Annuity Reserving Proj 2002, Scale AA (unisex) at 5%  
or  
24E - 2024 Applicable Mortality Table for 417(e) (unisex)

**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



# Actuarial Assumptions and Methods

## Sample Defined Benefit Plan

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

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

Pre-Retirement - Interest - 8.5%

Post-Retirement - Interest - 8.5%

Mortality Table - U84 - 1984 Unisex

Permissively Aggregated Plans - Not tested As 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

### 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 Defined Benefit Plan

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

Valuation Date: 12/31/2024

— SVC —		— Ages —				— Dates —									
Key	Percent Owner	PS	FS	Gender	PA	AA	ARA	Birth	Hire	Part	Retire	Compensation	Hours Worked	HCE	OEX
1 Cal Armstrong															
Y	100.00	2	2	M	74	76	78	10/16/48	03/14/92	01/01/23	02/01/27	\$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															
		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	2	F	80	82	84	11/19/42	10/31/94	01/01/23	02/01/27	\$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 -- - recv part payment-J+100%S															
		2	2	M	78	80	82	08/07/44	04/13/04	01/01/23	02/01/27	\$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	3	\$522,000
Active Partially Vested Benefits	2	\$34,000
Active Without Vested Benefits	2	\$75,500
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	



# Schedule of Benefits

## Sample Defined Benefit 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	11,000.00	988,175	5,500.00	100	5,500.00	450,159	446,334	
3 Larry Light -- new participant									
0.00	541.67	541.67	82,383	0.00	0	0.00	0	0	
6 Irene Strong									
4,333.33	4,333.33	2,166.67	320,047	866.67	100	866.67	110,588	110,588	
7 Ruth Timmons									
11,666.67	11,666.67	4,666.67	313,551	2,333.33	100	2,333.33	142,388	141,623	
8 Evie Waters -- new participant									
0.00	333.33	333.33	50,696	33.33	20	6.67	151	753	
9 Bob Wonder -- - recv part payment-J+100%S									
0.00	5,750.00	0.00	0	0.00	100	0.00	38,594	0	
Joint and 100% Survivor 1/1/2023		8,800.00		8,800.00	100	8,800.00	931,308		
99 Summer Worth -- new participant									
0.00	2,500.00	2,500.00	380,226	250.00	20	50.00	1,153	5,764	
Totals:	\$43,500.00	\$52,625.00	\$30,008.34	\$2,135,078	\$17,783.33	\$17,556.67	\$1,674,341		

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



# Valuation Statement

## Sample Defined Benefit 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	2,750.00	233,375	2,750.00	233,375
3 Larry Light -- new participant	0.00	0	0.00	0
6 Irene Strong	433.33	56,127	433.34	56,129
7 Ruth Timmons	1,166.67	73,399	1,166.66	73,398
8 Evie Waters -- new participant	0.00	0	33.33	605
9 Bob Wonder -- - recv part payment-J+100%S	0.00	0	0.00	0
Joint and 100% Survivor 1/1/2023	8,800.00	721,769	0.00	0
Employee Total:		721,769		0
99 Summer Worth -- new participant	0.00	0	250.00	4,645
Grand Totals:		\$1,084,670		\$368,152





# Maximum Contribution 404(o)

## Sample Defined Benefit Plan

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

Valuation Date: 12/31/2024

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### Maximum Contribution

1) Funding Target	1,085,517
2) Target Normal Cost	369,482
3) 50% of the Funding Target	542,759
4) Increase in Funding Target Due to Salary Increases	0
5) Cushion Amount (3+4)	542,759
6) Total (1+2+5)	1,997,758
7) Funding Target as if At-Risk	1,091,614
8) Target Normal Cost as if At-Risk	376,256
9) Total (7+8)	1,467,870
10) Greater of 6 and 9	1,997,758
11) 404 Assets	1,052,368
12) Undeducted Contributions	0
13) Maximum Contribution (IRC 404(o) (10-(11-12)))	945,390



# Maximum Contribution 404(o) (Detail)

## Sample Defined Benefit 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									
	2,750.00	233,584	233,584	233,584	116,792	0	116,792	233,584	233,584
3 Larry Light -- new participant									
	0.00	0	0	0	0	0	0	0	0
6 Irene Strong									
	433.33	56,650	56,650	56,651	28,325	0	28,325	57,945	57,946
7 Ruth Timmons									
	1,166.67	73,411	73,411	73,410	36,706	0	36,706	78,213	78,212
8 Evie Waters -- new participant									
	0.00	0	0	674	0	0	0	0	752
9 Bob Wonder -- - recv part payment-J+100%S									
	0.00	721,872	721,872	0	360,936	0	360,936	721,872	0
99 Summer Worth -- new participant									
	0.00	0	0	5,163	0	0	0	0	5,762
Totals:	\$4,350.00	\$1,085,517	\$1,085,517	\$369,482	\$542,759	\$0	\$542,759	\$1,091,614	\$376,256



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

## Sample Defined Benefit 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	
<b>1 Cal Armstrong</b>										
11,000.00	5,500.00	0.00	27,494.10	13,747.05	0.00	2,469,908	446,334	450,159	1,137,901	
<b>3 Larry Light -- new participant</b>										
541.67	0.00	0.00	833.33	83.33	0.00	82,383	0	0	11,590	
<b>6 Irene Strong</b>										
2,166.67	866.67	0.00	4,583.33	4,583.33	0.00	677,021	110,588	106,961	640,032	
<b>7 Ruth Timmons</b>										
4,666.67	2,333.33	0.00	12,500.00	12,500.00	0.00	839,868	141,623	142,388	958,186	
<b>8 Evie Waters -- new participant</b>										
333.33	33.33	0.00	833.33	166.66	0.00	50,696	753	542	11,239	
<b>9 Bob Wonder -- - recv part payment-J+100%S</b>										
0.00	0.00	0.00	0.00	0.00	10,000.00	0	0	0	0	
J+100%S 1/1/2023	8,800.00				10,000.00		931,308	735,748		
<b>99 Summer Worth -- new participant</b>										
2,500.00	250.00	0.00	2,500.00	500.00	0.00	380,226	5,764	4,163	49,450	
Totals:	\$21,208.34	\$17,783.33				\$4,500,102	\$1,636,370	\$1,439,961	\$2,808,398	



# Contribution Requirements

## Sample Defined Benefit Plan

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

Valuation Date: 12/31/2024

### A. Minimum Contribution

1. Minimum Required Contribution (MRC) at Valuation Date	374,639
2. Carryover Balance at Valuation Date	0
3. Prefunding Balance at Valuation Date	2,326
4. Minimum Contribution with Balances Applied (A1-A2-A3, not less than zero)	374,639

Note: Balances may not be used when Prior Year Funding Percentage is less than 80%

### B. Maximum Contribution 945,390

### C. Other Possible Contribution Amounts (cannot contribute less than Minimum or more than Maximum)

1. Contribution to Meet Termination Liability	588,592
2. Level Funding Contribution - Individual Aggregate Method	539,948
3. Level Funding Contribution - Aggregate Method	161,647

### D. Funding Target Attainment Percentages (FTAP)

1. Prior Year Funding Percentage ((Assets reduced by PFB)/FT)	61.00%
2. Funding Percentage ((Assets reduced by PFB)/FT)	96.80%
3. FTAP Exempt	72.43%
4. AFTAP	72.26%

### E. Unpaid Minimum Required Contributions for Prior Years

Unpaid Prior Year Contributions		Unpaid Prior Year Quarterly Contributions	
Due Date	Amount	Due Date	Amount
N/A	N/A	N/A	N/A

F. Quarterly Contribution Requirement. IRC Section 430(j) requires accelerated quarterly contributions if there is a funding shortfall in the prior plan year. Failure to contribute the amount required by the due dates will result in additional late interest charges, thereby increasing the minimum required contribution for the year. The late interest is measured from the due date of the quarterly contribution to the date of the actual contribution. The amount of the quarterly payment is one fourth of the lesser of the prior year MRC or 90% of the current year MRC.

		Quarterly Contribution	
		Due Date	Amount
a. Prior Plan Year MRC	430,550		
b. Current Plan Year MRC	374,639	04/15/2024	84,294
c. Required Annual Payment	337,175	07/15/2024	84,294
		10/15/2024	84,294
		01/15/2025	84,294

G. Full Payment is the single payment that will satisfy the MRC, any Quarterly Contributions, and any Unpaid Minimum Required Contributions and Quarterly Contributions for prior years. It includes interest from the valuation date to the date of payment. Contribution may be reduced by any Prefunding or Carryover Balance Used.

Due Date	Amount	Due Date	Amount
12/31/2024	379,980	09/01/2025	402,951
02/01/2025	382,846	09/15/2025	404,282
03/01/2025	385,495		
04/01/2025	388,431		
05/01/2025	391,274		
06/01/2025	394,213		
07/01/2025	397,061		
08/01/2025	400,004		



# Contribution Deposited/Due

## Sample Defined Benefit Plan

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

Valuation Date: 12/31/2024

**A. Reconciliation of Unpaid Minimum Required Contribution for Prior Years**

1. Unpaid Minimum Required Contribution for Prior Years	0
2. Discounted Contributions Applied to Unpaid MRC from Prior Years	0
3. Remaining Amount of Unpaid MRC from Prior Years (A1-A2)	<u>\$0</u>

**B. Contribution for Current Year at Valuation Date**

1. Target Normal Cost (adjusted for excess assets)	368,152
2. Shortfall Amortization Installment	6,487
3. Waiver Amortization Installment	0
4. Less Waiver	<u>0</u>
5. Minimum Required Contribution (MRC) at Valuation Date (B1+B2+B3-B4)	<u>\$374,639</u>
6. Contributions Applied to MRC Adjusted to Valuation Date	0
7. Carryover Balance (COB) Used to Offset MRC	0
8. Prefunding Balance (PFB) Used to Offset MRC	<u>0</u>
9. Unpaid MRC for Current Year (B5-B6-B7-B8, not less than zero)	<u>\$374,639</u>

**C. Additional Contribution Due at Proposed Deposit Date: 09/15/2025**

1. Unpaid MRC on Proposed Deposit Date	404,282
2. Unpaid MRC from Prior Years on Proposed Deposit Date	<u>0</u>

**3. Additional Deposit Required if Paid on Proposed Deposit Date (C1+C2) \$404,282**

**D. Excess Contribution**

1. Contributions Applied to MRC Adjusted to Valuation Date (B6)	0
2. Minimum Required Contribution at Valuation Date (B5)	<u>374,639</u>
3. Excess Contribution for Possible Addition to Next Year's Prefunding Balance (D1-D2)	<u>\$0</u>

**E. Carryover and Prefunding Balances at Proposed Deposit Date: 09/15/2025**

1. Remaining Unpaid MRC (C1)	404,282
2. Remaining Carryover Balance	0
3. Remaining Prefunding Balance	<u>0</u>
4. Remaining MRC with Balances Applied (E1-E2-E3, not less than zero)	<u>\$404,282</u>
(Balances may not be used when Prior Year Funding Percentage is less than 80%)	
Prior Year Funding Percentage (Assets reduced by PFB)/FT: 61.00%	
5. Remaining Unpaid Contribution from Prior Years (C2)	<u>0</u>

**6. Additional Contribution with Balances Applied (E4+E5) \$404,282**

(Election must be made to Apply Balances)



# Contribution Deposited/Due

## Sample Defined Benefit Plan

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

Valuation Date: 12/31/2024

**F. Maximum Contribution at Valuation Date**

1. Maximum Contribution (IRC 404(o))	945,390
2. Prior Year Undeducted Contributions	0
3. 404 Deposited Contributions	0
4. Contributions Deposited to Avoid Restrictions	0
5. Adjustment to Maximum Contribution if MRC Plus Paid Interest Exceeds Regular 404(o) Maximum	0

**6. Maximum Additional Contribution (F1-F2-F3-F4+F5)**

**\$945,390**

(Maximum contribution is never less than MRC adjusted to deposit date)

