



Better than duct tape! Using your company 401(k) plan as an effective tax shelter...

Greg is a successful business owner who has a company producing duct tape and other adhesive materials; Greg has 30 employees and annual revenues of approximately \$12 Million. Greg is a new MMG client....and Greg is even a happy taxpayer. Impossible?? Here's his story...

The problem? Your Success!

Greg hated, dreaded, and stressed over the annual exercise of determining his tax bill each April. In November of 2009, Greg's accountant told him, "You are doing much better than we thought you were going to do this year, especially given the awful economy! We should be celebrating, but this is NOT good news in terms of your tax bill. I was not prepared for the large amount of revenue you generated this year..."

Greg thought about that sobering news for a minute, "Can't I put more in my retirement plan this year? What's the maximum??" asked Greg.

"Good idea" said the CPA, "The maximum we can shelter for you is \$54,500, including your maximum 401(k) deferral and catch-up. BUT, I'm not sure what contributions would be required for your other employees in order for us to sock more away for you in the company plan...There are lots of non-discrimination rules that make it expensive, since most plans force you to treat your employees the same way you are treating yourself."

Greg thought..."Well, that stinks. I treat my employees generously already...and now I can't reduce my own tax bill without spending excessive amounts on them. I guess I'm stuck with my huge tax bill; I feel nauseous."

Greg's CPA said, "Wait a minute...I know a firm that specializes in customized plan designs for successful small business owners; let's call them and see if they have any ideas for you."

The Solution? Get specialized help and protect what you earned, with no risk.

Greg spoke with a partner at The MandMarblestone Group for about 10

minutes and answered some basic questions about his business including his "wish list" for how much money he would like to shelter for himself, what he would be willing to spend on others in the company to achieve that goal, and whether there were any individual staff members he would like to single out and reward more generously within the plan - without having to repeat that pattern in any other year.

Greg spent another 30 minutes completing an Excel spreadsheet with his company's employee census data and creating a pdf file of his current retirement plan document, and e-mailed both items off to MMG.

The Result.

Three days later, Greg received a call from MMG, together with an e-mail containing a customized illustration of what was possible for Greg and his company in 2009. Greg learned that he could shelter the full \$54,500 for only 2% more per person that he was already spending in his current plan! In addition, Greg's long-term assistant was able to receive a 10% plan contribution for her tireless help to Greg during their most stressful year in business. The most exciting news was that Greg shaved \$20,000 from his personal tax bill for a cost of only \$2,500 more for his staff within the plan. Greg's savings in the first year alone more than covered the cost of changing providers and making a one time investment in MandMarblestone's customized plan document.

Greg thought, "I love my CPA for knowing about this and connecting me to MandMarblestone!" and..."I feel so good about being able to get a huge benefit for myself, and to pay my employees a little more in the plan rather than paying it all in taxes to the IRS."

Greg thought later..."If I do this every year, I will have over \$1.4 Million in my own plan account within 10 years! Plus, under federal law, no creditor can touch that money – it's safe in a legal trust. I am satisfying ALL rules and regulations and can sleep peacefully, knowing that ERISA attorneys and expert pension consultants are overseeing the operation of my plan."

"My team at MandMarblestone calls me every year to discuss what I think would be the best fit for my objectives that year and together, we craft a solution. Every year can be different, depending on what happens with my business and the economy. I never would have believed this was possible! I think I like April after all...spring is here and I can predict my tax bill will be as low as possible!" What a difference."

MandMarblestone Can Help

If you or your clients are not happy with the tax bill they just paid; isn't it worth 45 minutes to an hour of their time to explore what more could be done via the company retirement plan?? We think so. We would like to make you a hero to your most valuable clients or prospects.

Call Bob, Ken, Lori or Ian today to learn more; now is the time to create

a better result for next April!

Call us at 215-222-5000, or email us at:

rmand@mand.com, marblestone@mand.com, lgordon@mand.com, iharing@mand.com

We also remediate problematic plans to full IRS compliance.

  **You also may reach us through our website: www.mand.com.**

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