

Find out about how to reward your best employees with a pre-tax bonus!

To learn more about our **OCP[®]** plan designs and how you can reward your best employees and reduce your income taxes, call the MandMarblestone Group at 215-222-5000.

Reduce your income tax with IRS approval!

Discretionary Company Contributions to 401(k) Plans

Leading Employee Benefit: Since 401(k) plans were added to the law, they have become a leading employee benefit for all types and sizes of businesses.

Hidden Flexibility: Many business owners and high-level managers don't realize that IRS rules allow 401(k) plan sponsors many flexible ways to reward deserving employees beyond traditional company matching contributions. The unfortunate result is that many companies adopt an unnecessarily restrictive 401(k) matching contribution plan design.

Overcome Matching Contribution Limitation: IRS rules permit companies that establish 401(k) plans to make discretionary contributions to select employees, whether or not they made 401(k) salary deferrals, allowing the company to overcome the limitations of a fixed matching contribution formula.

The Elusive Pre-Tax Bonus: Companies may choose to use discretionary contributions as a performance-based, pre-tax bonus. Such contributions are tax-deductible to the company, not currently taxable to the recipient employee and are not subject to payroll taxes, either from the company or the employee. In addition, discretionary contributions may be subject to a vesting schedule.

How the MandMarblestone Group Supports Discretionary Company Contributions

- **Implementation** – The MandMarblestone Group has received IRS approval for its One Category Per Participant (**OCP[®]**) plan design. **This IRS-approved OCP[®] plan document is the basis for allowing discretionary company contributions.** We work with owners and

It's not too late to implement Discretionary 401(k) Contributions for 2011.

Have peace of mind with continuing expert consulting and guidance to ensure compliance for your clients.

Contact us to help your current and prospective clients get the most from their 401(k) plan - and with IRS approval!

management to craft the framework of the 401(k) plan design that not only provides a contribution structure to meet a company's financial and tax objectives, but also is in alignment with the company's compensation model and culture. We then draft the plan document to achieve those objectives. The MandMarblestone Group does not offer investments or provide investment advice.

- **Annual Consulting** – The MandMarblestone Group offers several annual service models to support efficient and compliant 401(k) plan operation. On a continuing basis, **we are proactively responsive** to a variety of changing circumstances that impact the company, including changes in:

- Employee demographics
- Company profitability
- Industry trends
- New legislation
- Company growth

How to Reach Us

From initial, no-fee consultation and analysis, through proposal, presentation, implementation, and personal support, contact Bob Mand, Ken Marblestone, Lori Gordon, Ian Haring or Mike O'Connell at MandMarblestone. (215) 222-5000, or e-mail us at:

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We also remediate problematic plans to full IRS compliance.

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

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