



## THE PROBLEM:

There is a common misconception that as a company owner of over 100 employees, increasing funds for a profit-sharing plan would mainly benefit employees rather than the owners and executives. This was the exact thought for Innovative's client, who was generating a significant income in a high-tax state. The CFO was seeking ways to decrease the taxable income of the corporation and its shareholders, thus generating larger deductions. The CFO and the three owners were unaware of their tax planning options and like many business owners and executives in a company with more than 100 employees, they assumed funding a profit-sharing plan would only benefit the employees and they were seeking a solution that would benefit all. At the time, the client was working with our employee benefits division and approached us for suggestions. Our Employee Benefits team referred the client to Innovative's Retirement Consulting Division.

## THE SOLUTION:

The Retirement team visited the client to gather more information, run data analysis, and suggest options based on the current demographics of the organization and the matching allocations within their profit-sharing plan. We were able to design a plan that reduced the taxable income of both the corporation and its shareholders. The plan generated significant current tax savings for the owners as well as substantially increasing their share of the profit sharing contributions for their retirement.

While many companies with 100+ employees assume profit sharing plans provide little benefit to the owners, it is possible in certain individual situations to design plans with significant benefits for shareholders. Contact Innovative for a free, no obligation review of your profit sharing plan today.



## FAST FACTS

- Privately owned company with three owners
- 150+ employees
- Conducted profit sharing plan review

## HOW WE HELPED THE CLIENT



Significant percentage of current tax savings allocated to three owners



Substantial profit sharing contributions to owners' retirement savings



Educated client on tax planning strategies



### PARTNERING WITH YOU TO PROVIDE SOLUTIONS

Employee Benefits | Retirement Plans | Wellness | HR Consulting

**Innovative** Visit us online at [ibpllc.com](http://ibpllc.com) | Call us at 888.427.7383