



**Innovative**  
BENEFIT PLANNING



# CREATED \$1MILLION IN TAX DEDUCTIONS BY OPTIMIZING THE CORPORATE RETIREMENT PLAN DESIGN

## Client Facts

Private Company

Medical Group

Number of owner/partners: 80

Total number of Employees: 600

Service Provided: Tax planning through the  
redesign of the corporate retirement plan

## CHALLENGES



- 1 The owners were looking for ways to reduce both federal and state tax liabilities, as the company was domiciled in a high-tax state.
- 2 The group wanted a unique tool to enhance recruiting and retention of physicians.
- 3 The partners are high earners seeking the most efficient ways to save for retirement.
- 4 Their previous advisors did not propose using tax/retirement planning to address these challenges.

## SOLUTIONS



- 1 When we began working with this client, we outlined the most efficient options available for modifying their profit sharing and retirement plans to maximize benefits for the owners.
- 2 We obtained their census data and asked the client to identify who should be in the “favored group” to receive the additional benefits. We took those results and ran projections that maximized returns for the favored group members.
- 3 We managed the process of modifying and finalizing the retirement plan projections, and coordinating communications between the company, TPA, owners and employees.

## RESULTS



The new plan generates more than \$1 million in additional tax deductions annually for the favored group with only an additional cost of about \$41,000.



Eighty percent of the total contributions went to the owners under the new plan design (versus about 60-65 percent under the previous plan).



The additional tax savings gave the group a powerful and unique recruiting tool for bringing new physician/owners into the firm.



Contributions to retirement plans are “creditor-proof”, an attractive benefit for most principals and professionals.

Are you interested in learning ways to reduce taxes? Contact Innovative