

QUALIFIED PLAN DESIGN

FOR

Salmon Enterprises

PENDEAS - Pension Ideas Illustration System
Sample DB Reports

PREPARED BY:

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DATE PREPARED: 03/01/2016



Salmon Enterprises

**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PROPOSAL AS OF 01/01/2016
EMPLOYEE CENSUS**

Employees Eligible to Participate in the Plan

Employee Name	Sex	Ages			Dates				Annual Compensation	KHP
		Hire	Curr	Ret	Birth	Hire	Participation	Retirement		
Char, A	M	43	71	76	05/20/1945	05/10/1988	01/01/2016	01/01/2021	265000	KHP
Salmon, A	M	25	59	65	03/15/1957	01/01/1982	01/01/2016	04/01/2022	150000	KHP
Vardon, D	F	20	35	65	07/19/1980	04/15/2000	01/01/2016	08/01/2045	75000	
Trout, C	F	18	45	65	12/15/1970	10/01/1988	01/01/2016	01/01/2036	20000	
Trout, R	F	40	55	65	08/05/1960	02/16/2000	01/01/2016	09/01/2025	30000	
Total									540000	
Key Total									415000	
Key %Total									77%	

K indicates an IRC416 Key employee

H indicates an IRC414 Highly Compensated employee

P indicates a preferred employee

Anticipated Plan Effective Date: 01/01/2016

Client Business Type: Regular C Corporation

Plan Design Description: DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA

Plan Design Id: DDBFLTBN



Salmon Enterprises

**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PLAN PROVISIONS AND ASSUMPTIONS
PROPOSAL AS OF 01/01/2016**

Plan Effective Date

January 1, 2016

Plan Participation Eligibility

Minimum Age: 21.0

Minimum Service: 12 months with the required number of hours of service

Timing: Plan entry date coincident with or following the 'satisfaction date'.

Entry date: 01/01

Retirement Eligibility

Minimum age: 65 years

Minimum participation: 5 years

Minimum age and participation required

Timing: 1st day of month on or after attainment of retirement age

Retirement Benefit Normal Form

Life Annuity

Retirement Benefit Formula

30% Of Pay Plus 22.75% Of Pay In Excess Of The Integration Level: Table I - Maximum: \$118500 - Year: 2015

Top Heavy

Super Top heavy

IRC416 Minimum Benefit: 2.00% of Pay Per Year of Top Heavy Service

IR415 Limitation

Maximum Single Life Annuity \$Amount: \$210,000

Maximum Single Life Annuity As %Pay: 100%

Interest Rate for Life Annuity: 5.00%

Interest Rate for Other Benefit Forms: 5.50%

Mortality: 2016 417(e)(3) Applicable Mortality Table

Compensation

Plan Compensation: 3 Year Average

Maximum Compensation: Up To \$265,000 Considered



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**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PLAN PROVISIONS AND ASSUMPTIONS
PROPOSAL AS OF 01/01/2016**

Accrued Benefit

Participation Service Pro-rata

Pre-retirement Assumptions

Compensation Increase: 2.00%

Mortality: 2016 430(h)(3)(A)-Non-annuitants

Retirement Assumptions

Interest:

First 5 years: 4.72%

Next 15 years: 6.11%

After 20 years: 6.81%

Mortality: 2016 430(h)(3)(A)-Annuitants

Pre-Retirement Actuarial Equivalence Assumptions

Interest: 5.00%

Mortality: NONE

Retirement Actuarial Equivalence Assumptions

Interest: 5.00%

Mortality: 1984 Unisex Pension (UP-84)

IRC417(e) Assumptions

Interest:

First 5 years: 1.33%

Next 15 years: 3.46%

After 20 years: 4.40%

Mortality: 2016 417(e)(3) Applicable Mortality Table

Vesting Schedule

6 Year Graded Vesting (20% After 2 Years Of Service, Plus 20% For Each Additional Year of Service And 100% After 6 Years Of Service)

Vesting Based On All Service Excluding That Prior To The Effective Date And Age 18

Actuarial Cost Method

PPA06 Funding Rules



Salmon Enterprises

**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PROPOSAL AS OF 01/01/2016
BENEFITS AND CONTRIBUTIONS**

Participant Name	Annual Compensation	Anticipated Benefits				Current Contribution		H
		Monthly Benefit At Retirement			Lump Sum Retirement	\$Amount	%Pay	
		Plan	SocSec	Total				
Char, A	265,000	7,172.08	3,620.40	10,792.48	585,948	96,501	36.4%	H
Salmon, A	150,000	3,935.25	2,532.10	6,467.35	474,096	61,115	40.7%	H
Vardon, D	75,000	1,875.00	2,002.70	3,877.70	225,904	2,248	3.0%	
Trout, C	20,000	500.00	892.40	1,392.40	60,241	1,152	5.8%	
Trout, R	30,000	750.00	1,123.70	1,873.70	90,361	5,497	18.3%	
Total	540,000					166,513	30.8%	
HC Employees	415,000					157,616	38.0%	
%Total to HC	76.9%					94.7%		

H indicates a highly compensated employee defined by Internal Revenue Code Section 414.

Contributions in a defined benefit plan are not individual account additions, but are combined into an unallocated investment fund to provide plan benefits. The plan contribution satisfies the Minimum Funding Standards of IRC430 and is illustrated as due as of the end of the plan year. The IRC430 Minimum Contribution is subject to review by the Plan's Enrolled Actuary and Tax Accountant. Notice 89-52: In subsequent years, quarterly contributions to the plan may be required. Subsequent contributions depend upon aggregate plan experience including that in respect of investment earnings, mortality, turnover, salary changes, and plan amendments.

The 'Anticipated Lump Sum Death Benefit' illustrated is the anticipated initial pre-retirement death benefit as of the plan effective date.

The illustrated benefits and current contributions are estimates which depend on accurate sponsor and census data and the assumptions selected. Availability of the monthly retirement benefit commencing at the retirement date or the lump sum at retirement depend on the plan provisions. Government distribution regulations may limit lump sum payouts from the plan. The lump sum at retirement does not consider the Social Security old age benefit amount.



Salmon Enterprises

**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PLAN CONTRIBUTIONS
PROPOSAL AS OF 01/01/2016**

Plan Effective Date

January 1, 2016

Plan Participation Eligibility

Minimum Age: 21.0

Minimum Service: 12 months with the required number of hours of service

Timing: Plan entry date coincident with or following the 'satisfaction date'.

Entry date: 01/01

Retirement Eligibility

Minimum age: 65 years

Minimum participation: 5 years

Minimum age and participation required

Timing: 1st day of month on or after attainment of retirement age

Plan Contribution

1st Year Amount \$166,514

Contribution Actuarially Determined



Salmon Enterprises

**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PLAN CONTRIBUTIONS
PROPOSAL AS OF 01/01/2016**

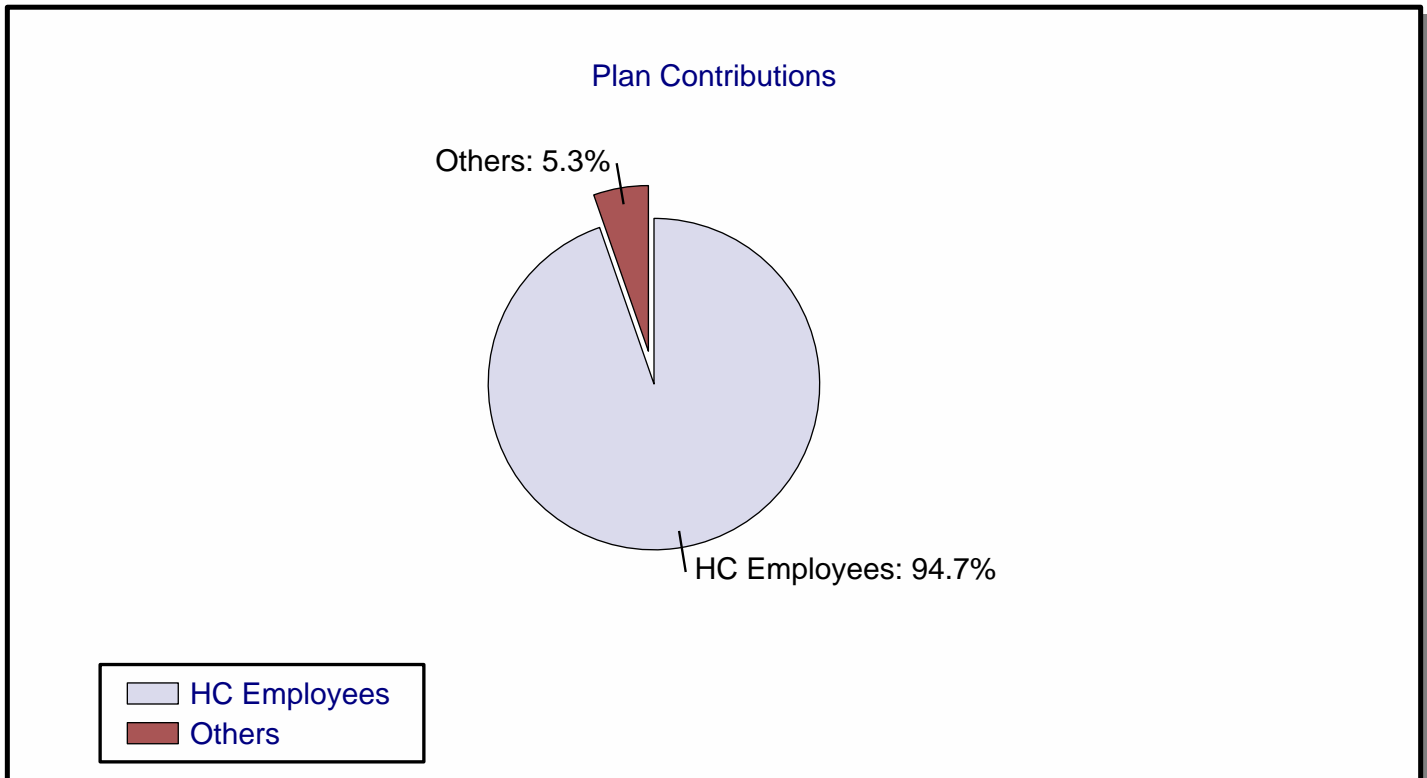
Participant Name	Ages		Service			Compensation		Initial Contribution			
	A	RA	P	F	T	\$Amount	%Total	\$Amount	%Total	%Pay	
Char, A	72	76	28	5	33	265,000	49.1%	96,501	58.0%	36.4%	H
Salmon, A	60	65	34	6	40	150,000	27.8%	61,115	36.7%	40.7%	H
Total HC						415,000	76.9%	157,616	94.7%	38.0%	H
All Participants						540,000	100.0%	166,513	100.0%	30.8%	

H indicates a highly compensated employee defined by Internal Revenue Code Section 414.

Age: A is age as of the end of the plan year and RA is age as of the anticipated retirement date.

Service: P is past service, F is anticipated future service and T is anticipated total service at retirement.

Contributions in a defined benefit plan are not individual account additions, but are combined into an unallocated investment fund to provide plan benefits. The plan contribution satisfies the Minimum Funding Standards of IRC430 and is illustrated as due as of the end of the plan year. The IRC430 Minimum Contribution is subject to review by the Plan's Enrolled Actuary and Tax Accountant. Subsequent contributions depend upon aggregate plan experience including that in respect of investment earnings, mortality, turnover, salary changes, and plan amendments. IRS Notice 89-52 provides that in subsequent plan years, quarterly contributions to the plan may be required. The illustrated Initial Contributions are estimates which depend on accurate sponsor and census data and the assumptions selected.



Salmon Enterprises

DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PROPOSAL AS OF 01/01/2016
Funding Target for the Plan Year Beginning: 01/01/2016

Funding Target Without Additional Assumptions

Present Value as of 01/01/2016 of Benefits Accrued as of 01/01/2016		
1	Present Value of Accrued Retirement Benefits under plan Normal Form	\$0
2	Funding Target [1]	\$0
	Effective Rate of Interest	6.29%
Present Value as of 01/01/2016 of Benefits Accrued as of 12/31/2016		
3	Present Value of Accrued Retirement Benefits under Normal Form	\$156,660
4	Target Normal Cost [3 - 2]	\$156,660

The values illustrated here are subject to review by the Plan's Enrolled Actuary and depend on data provided by the Plan Administrator.



Salmon Enterprises

DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PROPOSAL AS OF 01/01/2016
Funding Target for the Plan Year Beginning: 01/01/2016

At Risk Funding Target Considering Additional Assumptions

Present Value as of 01/01/2016 of Benefits Accrued as of 01/01/2016		
1	Present Value of Retirement Benefits for those not eligible for early retirement in next 11 years*	\$0
2	Present Value of Early Retirement Benefits for those eligible for early retirement in next 11 years**	\$0
3	Funding Target [Sum of 1 and 2]	\$0
Present Value as of 01/01/2016 of Benefits Accrued as of 12/31/2016		
4	Present Value of Retirement Benefits for those not eligible for early retirement in next 11 years*	\$156,660
5	Present Value of Early Retirement Benefits for those eligible for early retirement in next 11 years**	\$0
6	Present Value of Benefits Accrued as of 12/31/2016 [Sum of 3 through 5]	\$156,660
7	Target Normal Cost [6 - 3]	\$156,660

*Present Value of the accrued retirement benefit payable as of the normal retirement date using the most valuable optional form

**Present Value of the early retirement benefit payable as of the earliest early retirement date using the most valuable optional form. This includes current retirees using their chosen retirement form.

The values illustrated here are subject to review by the Plan's Enrolled Actuary and depend on data provided by the Plan Administrator.



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DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PROPOSAL AS OF 01/01/2016
Funding Target for the Plan Year Beginning: 01/01/2016

Funding Target Considering Additional Assumptions using IRC404 Interest

Present Value as of 01/01/2016 of Benefits Accrued as of 01/01/2016		
1	Present Value of Retirement Benefits for those not eligible for early retirement in next 11 years*	\$0
2	Present Value of Early Retirement Benefits for those eligible for early retirement in next 11 years**	\$0
3	Funding Target [Sum of 1 and 2]	\$0
Present Value as of 01/01/2016 of Benefits Accrued as of 12/31/2016		
4	Present Value of Retirement Benefits for those not eligible for early retirement in next 11 years*	\$197,843
5	Present Value of Early Retirement Benefits for those eligible for early retirement in next 11 years**	\$0
6	Present Value of Benefits Accrued as of 12/31/2016 [Sum of 3 through 5]	\$197,843
7	Target Normal Cost [6 - 3]	\$197,843

*Present Value of the accrued retirement benefit payable as of the normal retirement date using the most valuable optional form

**Present Value of the early retirement benefit payable as of the earliest early retirement date using the most valuable optional form.
This includes current retirees using their chosen retirement form.

The values illustrated here are subject to review by the Plan's Enrolled Actuary and depend on data provided by the Plan Administrator.



Salmon Enterprises

**DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA
PROPOSAL AS OF 01/01/2016
Funding Target for the Plan Year Beginning: 01/01/2016**

Funding Target using IRC404 Interest

Present Value as of 01/01/2016 of Benefits Accrued as of 01/01/2016		
1	Present Value of Accrued Retirement Benefits under plan Normal Form	\$0
2	Funding Target [1]	\$0
Present Value as of 01/01/2016 of Benefits Accrued as of 12/31/2016		
3	Present Value of Accrued Retirement Benefits under Normal Form	\$197,843
4	Target Normal Cost [3 - 2]	\$197,843

The values illustrated here are subject to review by the Plan's Enrolled Actuary and depend on data provided by the Plan Administrator.



Salmon Enterprises

DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA

PROPOSAL AS OF 01/01/2016

Minimum Required Contribution for the Plan Year Beginning: 01/01/2016

1	Preceding Year Funding Target Attainment Percentage (FTAP)	0.00%
	[Not considering additional IRC430(i) assumptions]	
2	Preceding Year FTAP considering additional IRC430(i) assumptions	0.00%
3	Number of lives	5
4	Plan is not At-Risk because (1) is more than 80 and (2) is more than 70 or (3) is less than 501	
5	Target Normal Cost	156,660
6	Actuarial Value of Plan Assets	0
7	Prefunding Balance	0
8	IRC430(f)(4)(B) Plan Assets [(6)-(7)]	0
9	Funding Target not considering additional IRC430(i) assumptions	\$0
10	Funding Target Attainment Percentage	100.00%
	[Not considering additional IRC430(i) assumptions [100 x (8)/(9)]	
11	Prior Shortfall Amortization Charges	\$0
12	Present Value Prior Shortfall Amortization Charges	\$0
13	Waiver Amortization Charge	\$0
14	Present Value Waiver Amortization Charges	\$0
15	100 % Funding Target (9)	\$0
16	Excess Assets [8 - 9]	\$0
17	Minimum Required Contribution as of 01/01/2016 [(5)-(16)]	\$156,660

The values illustrated here are subject to review by the Plan's Enrolled Actuary and Tax Accountant, and depend on data provided by the Plan Administrator. The values here do not include the IRC430(j) Additional Current Interest Charge, if any.



Salmon Enterprises

DEFINED BENEFIT INTEGRATED FLAT BENEFIT FORMULA

PROPOSAL AS OF 01/01/2016

Maximum Deductible Contribution for the Plan Year Beginning: 01/01/2016

1	Target Normal Cost	\$197,843
2	Funding Target	\$0
3	Cushion	
	(a) $.5 \times$ Funding Target	\$0
	(b) Increases to Funding Target due to increases in compensation	\$0
4	Target Normal Cost using the additional assumptions under IRC430(i)	\$197,843
5	Funding Target using the additional assumptions under IRC430(i)	\$0
6	Greater of (1 + 2 + 3) and (4 + 5)	\$197,843
7	Actuarial Value of Plan Assets	\$0
8	Minimum Required Contribution	\$156,660
9	Maximum Deductible Contribution [Greater of 8 and (6 - 7)]	\$197,843

The values illustrated above are subject to review by the Plan's Enrolled Actuary and Tax Accountant, and depend on data provided by the Plan Administrator. They may not apply if there are additional qualified benefit plans associated with this Plan, or the Plan Year is not a full year, or the deductible limit is based on a weighted average of deductible limits for two consecutive Plan Years, or the Plan Year is not coincident with the Plan Sponsor's Tax Year.

