

PROPOSAL FOR:

SAMPLE PLAN

EFFECTIVE DATE OF PLAN(S):

January 1, 2022

VALUATION DATE:

December 31, 2022

PREPARED FOR:

**XYZ COMPANY
RST PARTNERSHIP**

PREPARED BY:

**BLAZE SSI
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DATE PREPARED:

November 18, 2022



BLAZE SSI

PROPOSAL
SAMPLE PLAN
Valuation Date: December 31, 2022
Summary of Plan(s) Provisions

Plan Effective Date: 1/1/2022
Valuation Date: 12/31/2022

Eligibility Requirements:

Minimum Months of Service: 12
Minimum Age: 21
Entry Date: 1st Day of Plan Year Nearest
the Satisfaction of the Requirements

Normal Retirement:

Minimum Age: 65
Minimum Years of Employment Service: 0
Minimum Years of Plan Participation: 5
Date: 1st Day of Month Following
the Satisfaction of the Requirements

Vesting Schedule: 3-Year Cliff [100% after 3 years]

Death Benefit:

Defined Benefit Plan: 100% of the Present Value of Accrued Benefit
Profit Sharing Plan: 100% of the Account Balance

Accrued Benefit:

Defined Benefit Plan: Account Balance or benefit accrued to date
Profit Sharing Plan: Account Balance

Top Heavy Status: Plan(s) are Top-Heavy

Benefit/Allocation:

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Census Subgroup:	Defined Benefit Plan:	Profit Sharing Plan:	Total Contribution to Each Group
0:	Annual theoretical cash balance contribution of 750.00	Annual contribution of 10.00% of compensation	\$103,205.60
1:	Maximum annual theoretical cash balance contribution	Maximum Annual Account Addition	\$193,000.00
2:	Annual theoretical cash balance contribution of 750.00	Annual contribution of 0.50% of compensation	\$19,950.00
3:	N/A	Annual contribution of 0.50% of compensation	\$5,800.00

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Summary of Testing Assumptions

	Defined Benefit Plan	Profit Sharing Plan
Interest Rate		
Pre-Retirement	5.5%	8.5%
Post Retirement	5.5%	8.5%
Mortality Table		
Pre-Retirement	None Assumed	None Assumed
Post Retirement	2022 417(e) table	RR 95-6 1983 GAM 50/50 BLEND
Testing retirement age:	65	65

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Current Annual Allocations

Employee Name	Date of Birth	Date of Hire	Total Annual Compensation	H C	C S G	Defined Benefit Theoretical Contribution	Defined Contribution Profit-sharing Contribution	Employee Elective Deferral without catch up	Total Contribution with Deferrals
HCE#1, B	8/1/1972	1/1/2000	\$305,000.00	H	1	\$132,000.00	\$43,000.00	\$18,000.00	\$193,000.00
HCE#2, A	12/6/1974	1/1/2010	\$240,000.00	H	2	\$750.00	\$1,200.00	\$18,000.00	\$19,950.00
NHCE#1, G	10/1/1975	1/1/2010	\$106,000.00		0	\$750.00	\$10,600.00	\$5,000.00	\$16,350.00
NHCE#2, K	7/5/1965	1/1/2000	\$68,200.00		0	\$750.00	\$6,820.00	\$0.00	\$7,570.00
NHCE#3, G	11/25/1965	1/1/2000	\$76,764.00		0	\$750.00	\$7,676.40	\$0.00	\$8,426.40
NHCE#4, U	10/14/1971	1/1/2000	\$70,322.00		0	\$750.00	\$7,032.20	\$0.00	\$7,782.20
NHCE#5, M	4/14/1973	1/1/2000	\$90,000.00		0	\$750.00	\$9,000.00	\$0.00	\$9,750.00
NHCE#6, P	12/9/1948	1/1/2000	\$53,721.00		0	\$750.00	\$5,372.10	\$0.00	\$6,122.10
NHCE#7, P	7/9/1971	1/1/2008	\$67,385.00		0	\$750.00	\$6,738.50	\$0.00	\$7,488.50
NHCE#8, M	10/30/1985	1/1/2008	\$84,000.00		0	\$750.00	\$8,400.00	\$0.00	\$9,150.00
HCE#3, J	9/8/1964	1/1/2000	\$160,000.00	H	3	\$0.00	\$800.00	\$5,000.00	\$5,800.00
NHCE#9, R	5/14/1975	1/1/2003	\$75,164.00		0	\$750.00	\$7,516.40	\$0.00	\$8,266.40
NHCE#10, N	5/9/1975	1/1/2000	\$98,000.00		0	\$750.00	\$9,800.00	\$3,500.00	\$14,050.00
NHCE#11, M	10/30/1993	1/1/2015	\$75,000.00		0	\$750.00	\$7,500.00	\$0.00	\$8,250.00
NHCE#12, L	1/1/1990	1/1/2017	\$50,000.00		99	\$0.00	\$0.00	\$0.00	\$0.00
HC EEs			\$705,000.00	H		\$132,750.00	\$45,000.00	\$41,000.00	\$218,750.00
Other EEs			\$914,556.00			\$8,250.00	\$86,455.60	\$8,500.00	\$103,205.60
All EEs			\$1,619,556.00			\$141,000.00	\$131,455.60	\$49,500.00	\$321,955.60
% to HC EEs				H		94.15%	34.23%	82.83%	67.94%
% to Other EEs						5.85%	65.77%	17.17%	32.06%

CSG indicates census sub-group

HC indicates highly-compensated employees defined by IRC414(q)

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IRC 401(a)(26) Minimum Participation Test

The IRC 401(a)(26) Minimum Participation Test applies only to Defined Benefit Plans. It requires a plan to benefit the lesser of 50 employees or 40% of the employees of the plan sponsor. If there are only two employees, both employees must benefit under the plan. This is a threshold test that must be satisfied before coverage is tested under IRC 410(b) or non-discrimination is tested under IRC 401(a)(4). A plan is not qualified if it fails the IRC 401(a)(26) Minimum Participation Test, even if it passes all other tests. The HCE or NHCE status of an employee has no bearing on the test. The IRS has no regulation that clearly defines when an employee is 'benefiting', but IRS officials have stated that an employee who accrues a retirement benefit of at least 0.5% of compensation in a year under the plan is considered benefiting in that year.

1.	Number of Employees included in this test:	14
2.	Number of Employees considered benefiting in the defined benefit plan:	2
3.	% of Employees in this test that are benefiting:	14%
4.	Is (2) 50 or greater?	No
5.	Is (3) above 40% or greater?	No
Test Fails		

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IRC 410(b) Minimum Coverage Test

All plans are subject to this test. Two or more plans may be aggregated in order to pass this test. There are two ways that this test can be passed. One of two tests must be satisfied to satisfy the minimum coverage requirement. The two tests are referred to as the Ratio Test and the Average Benefits Test.

70% Ratio% Test:

All employees, except those who may be excluded under IRC 1.410(b)-6, must be considered for this test. The ratio of the HCE who are benefiting under the plan(s) is compared to the ratio of the NHCE who are benefiting under the plans(s). If the NHCE benefiting ratio is at least 70% of the HCE benefiting ratio this test is passed.

NDC - Average Benefit% Test:

To pass this two-part test both the 'Non-discriminatory Classification Test' and the 'Average Benefit% Test' must be satisfied. The NDC Test requires that the classification of employees excluded from the plan(s) being tested is established under objective business criteria that identify the category of the employees covered and either the 'Safe Harbor % Test' or the 'Facts and Circumstances Test' is satisfied. The 'Average Benefit% Test' requires that all plans of the sponsor have a 'Benefit Ratio' of 70%. For this test 'imputed disparity' and 'cross testing' may be used.

SUMMARY OF IRC 410(b) TEST

Result: PASS

A. 70% Ratio% Test

1.	Number of HC Employees eligible to participate in the plan:	3
2.	Number of HC Employees participating in the plan:	3
3.	% of HC Employees participating in the plan: $100 \times (2)/(1)$	100%
4.	Number of non-HC Employees eligible to participate in the plan:	11
5.	Number of non-HC Employees participating in the plan:	11
6.	% of non-HC Employees participating in the plan: $100 \times (5)/(4)$	100%
7.	Ratio %: $100 \times (6)/(3)$	100%
8.	Is Ratio % greater than or equal to 70%?	Yes
	Test Passes	

B. NDC - Average Benefit% Test

1.	Benefit Ratio % for the HC Employees:	6.68%
2.	Benefit Ratio % for the non-HC Employees:	6.39%
3.	Benefit Ratio %:	95.65%
4.	Is (3) greater than 70%?	Yes
	Ratio % test is satisfied	
5.	Safe Harbor %:	36.5%
6.	Unsafe Harbor %:	26.5%
7.	Ratio %: (A)(7):	100%

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IRC 410(b) Minimum Coverage Test

8. Result: Reasonable classification test required

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IRC 416 Minimum Top Heavy Benefit Test**

If a plan is determined to be Top Heavy then IRC 416 requires that a minimum defined benefit or a minimum % of compensation account addition be provided to all eligible NHCE. A plan is Top Heavy if the Top Heavy Ratio, in the current (for a new plan) or for the prior year (for an existing plan), exceeds 60%. The Top Heavy Ratio is determined by comparing the benefits in the plan or plans being tested for the Key employees to the benefits of all Employees. A Key Employee has a special definition, as described in IRC 416(i)(1), and is different than the definition of HCE. If a plan is top heavy then IRC 416 requires a minimum benefit (for DB plans) or a minimum % of compensation account addition (for DC plans) must be provided to non-Key participants. If the plan sponsor provides DB and DC plans, the IRC 416 minimum benefit is required in only one of the plans.

**SUMMARY OF IRC 416 MINIMUM TOP HEAVY TEST
FAIL**

1. Was the plan top heavy in the prior year?	N/A
2. Benefit to Key Employees for this year:	\$212,950.00
3. Benefit to All Employees for this year:	\$321,956.00
4. Top heavy ratio for this year:	66.14%
5. Must minimum top heavy benefit be provided for this year?	Yes
6. Minimum top heavy benefit to be provided in the DC plan:	No
7. Minimum top heavy benefit to be provided in the DB plan:	No
8. Actual benefit provided in the DC plan exceeds minimum:	No
9. Actual benefit provided in the DB plan exceeds minimum:	N/A
10. Was the minimum top heavy test satisfied?	No

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Special Gateway Rules Under 1.401(a)(4)-9(b)(2)(v)

The Special Gateway rules apply when one or more DC plans are aggregated for testing with one or more DB plans. The ensemble of plans being tested must provide most of the benefits in the DB plan(s) or else there must be a minimum contribution provided in the DC plans(s). The Minimum Gateway benefit is expressed as a percentage of compensation that must be provided to each NHCE. The Minimum Gateway threshold percentage is determined by the overall benefit provided to the NHCE. The maximum Gate Way Percentage is 7.5% of compensation for NHCE.

SUMMARY OF THE SPECIAL GATEWAY RULES UNDER 1.401(a)(4)-9(b)(2)(v)

Result: PASS

- | | | |
|----|--|-------|
| 1. | Are benefits primarily defined benefits in nature? | No |
| 2. | Minimum gateway % required in the plans | 7% |
| 3. | Gateway % provided only in the DC plan | 6.52% |
| 4. | Does DC plan alone satisfy the gateway % test? | No |
| 5. | Do the combined plans satisfy the minimum gateway %? | Yes |

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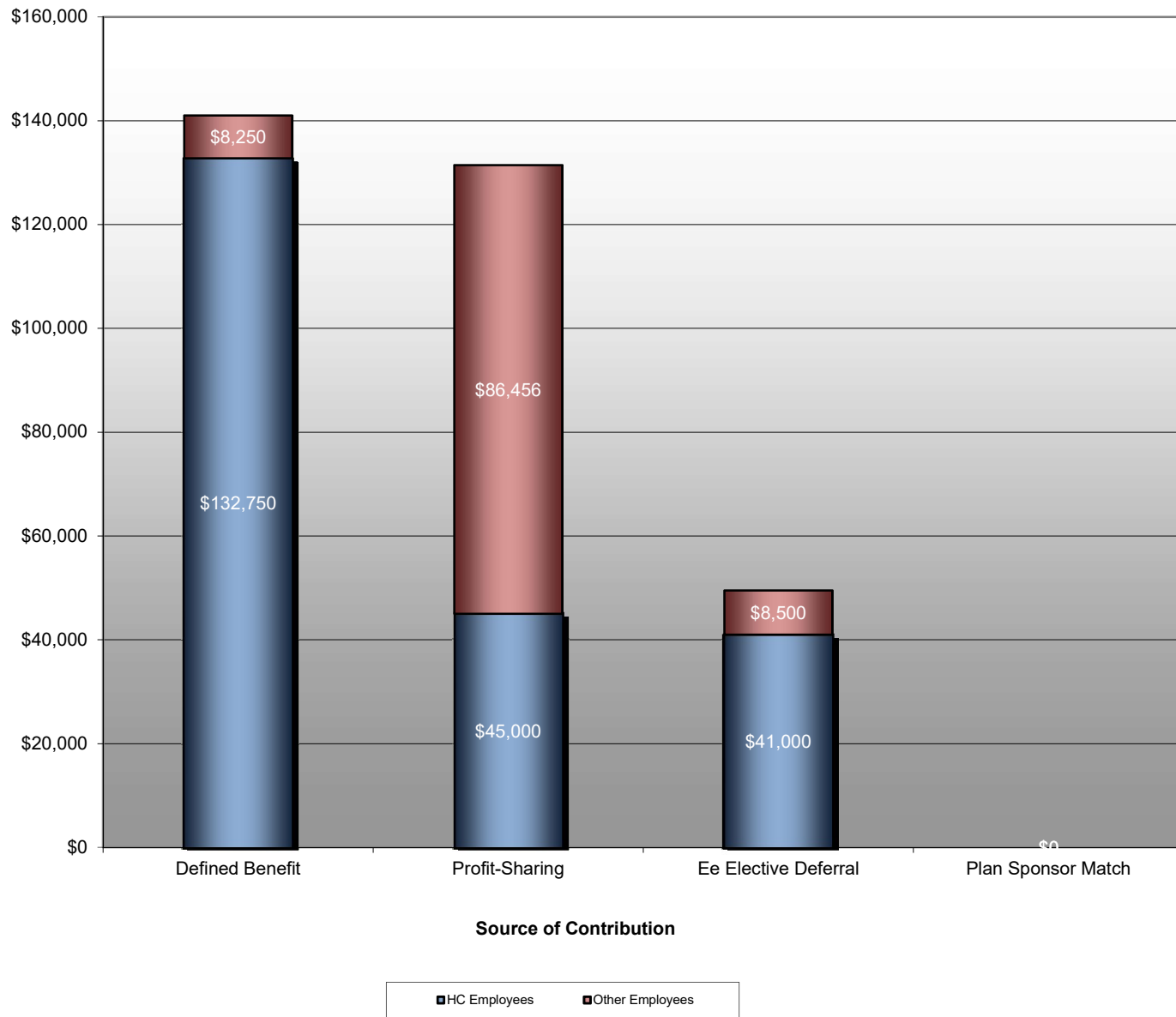
Valuation Date: December 31, 2022

Summary of the IRC 401(a)(4) Accrual Rate Test

The Accrual Rate Test compares the benefit being provided to each HCE to the benefits being provided to the NHCEs in the plan. Each HCE constitutes a Rate Group. A Rate Group consists of all the HCE and NHCEs that have an equal or greater Normal Accrual rate and Most Valuable Accrual rate (as a % of Compensation) to the HCE being tested. Each Rate Group must then pass either the Average Benefits Test or the Ratio Test.

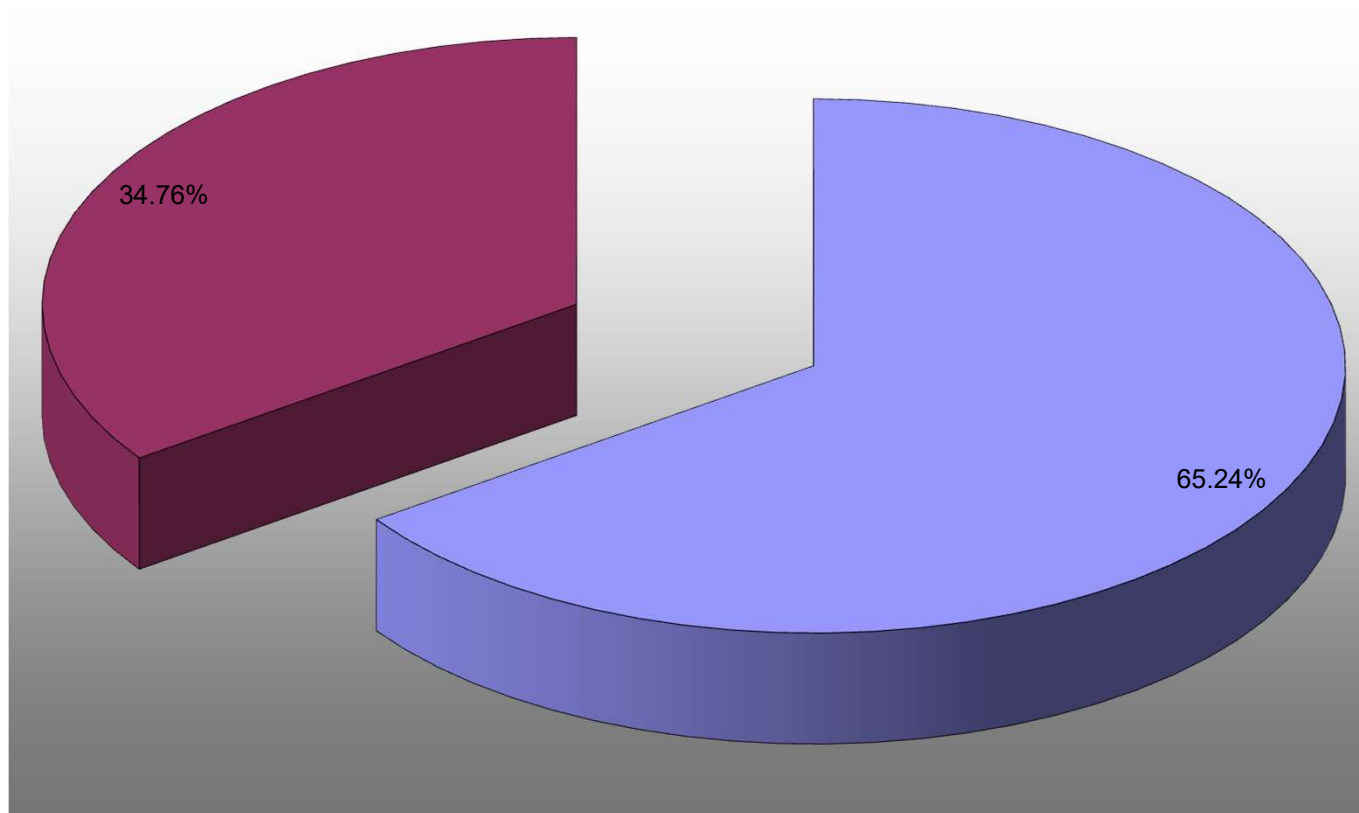
HC Participant's Last Name	Normal Aggregate Accrual Rate	Most Valuable Aggregate Accrual Rate	Ratio Test	Ratio %	Average Benefits Test
HCE#1	13.38%	17.08%	FAIL	27.27%	FAIL
HCE#2	0.29%	0.32%	PASS	150.00%	PASS
HCE#3	0.10%	0.10%	PASS	100.00%	PASS

Contributions By Source



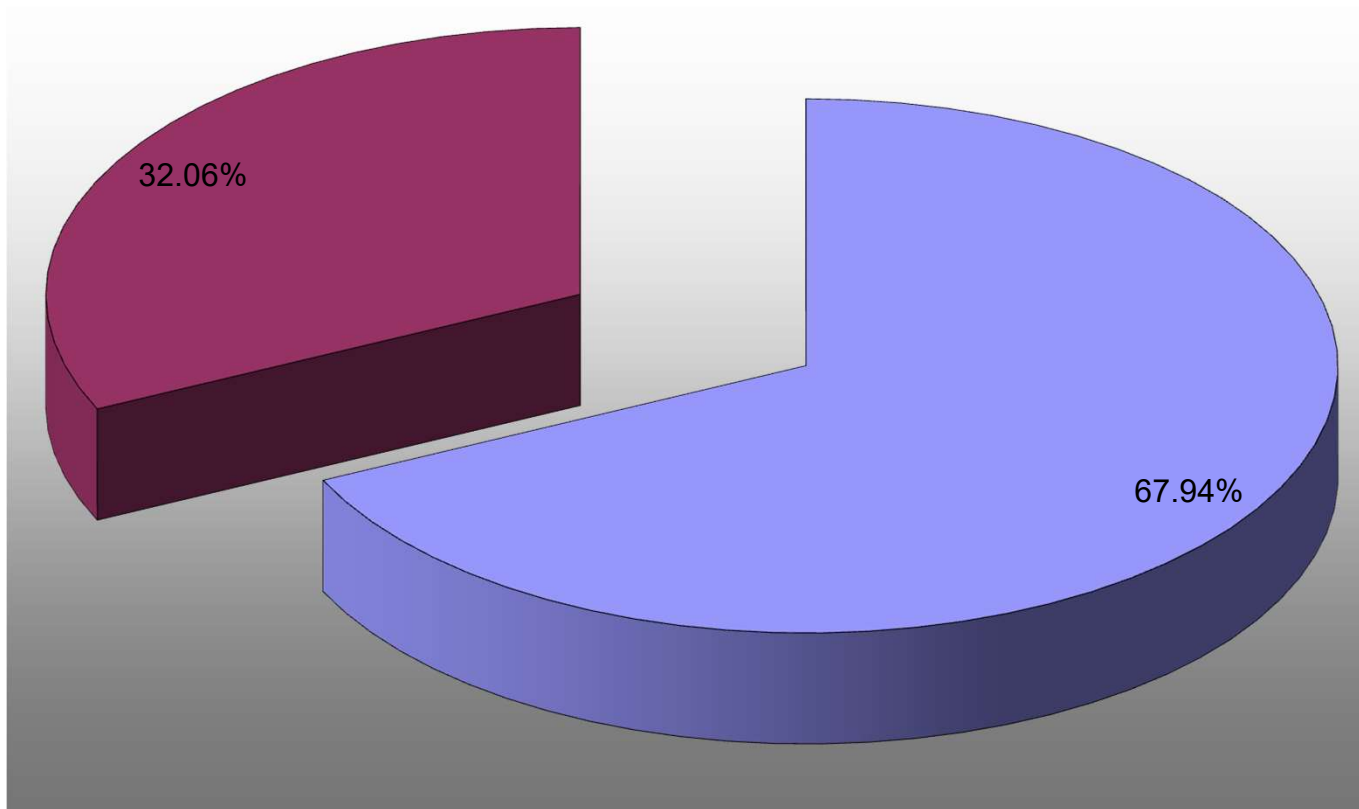
Estimated Plan Sponsor Contributions without Employee-elective Compensation Deferrals

■ % to HC Employees ■ % to Other Employees



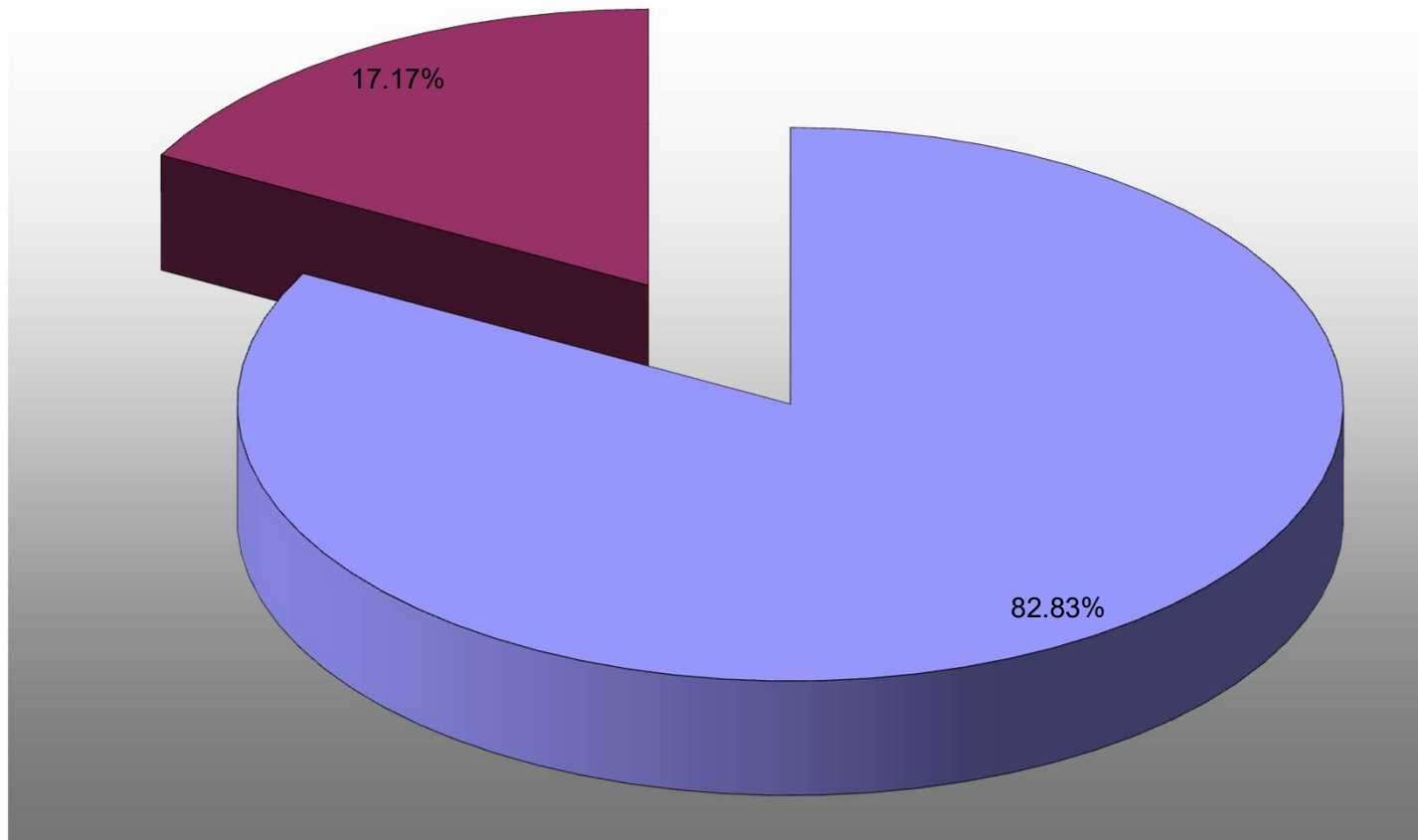
Estimated Plan Sponsor Contributions
with Anticipated Employee-elective Compensation Deferrals

■ % to HC Employees ■ % to Other Employees

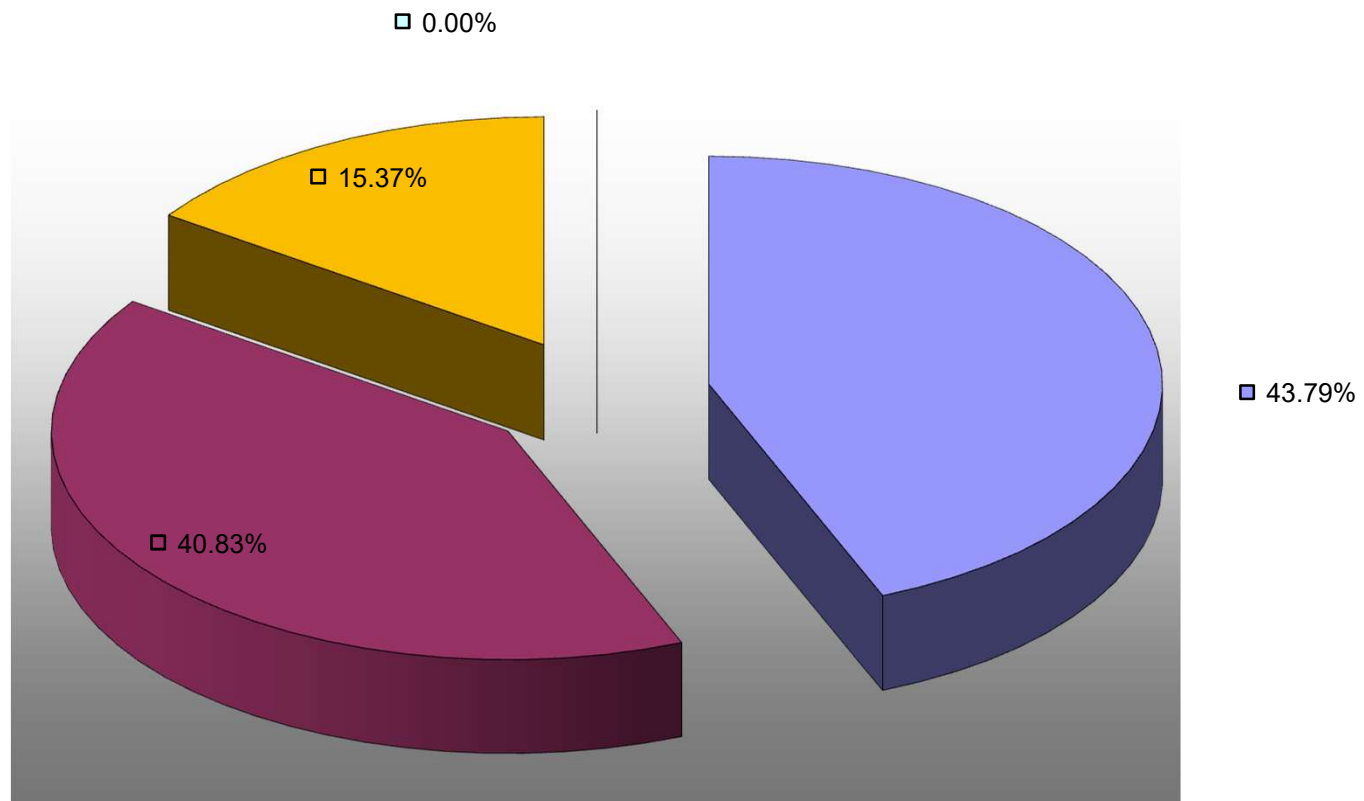


Estimated Employee-elective Compensation Deferrals

■ % to HC Employees ■ % to Other Employees



Theoretical Contributions by Plan Benefit Type

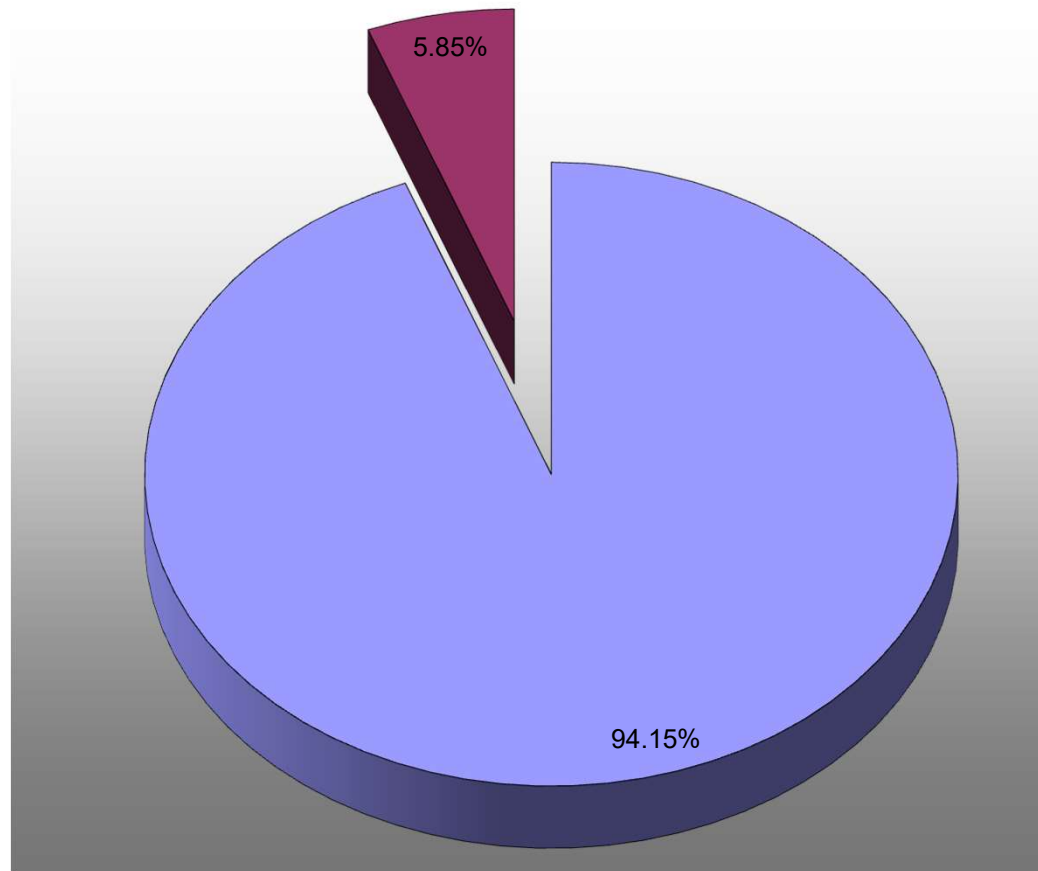


■ Defined Benefit Theoretical Contribution
■ Employee Elective Deferral without catch up

■ Defined Contribution Profit-sharing Contribution
■ Plan Sponsor Matching Contribution

Theoretical Defined Benefit Contributions

■ HC Employees ■ Other Employees



Anticipated Defined Contribution Profit-sharing Contributions

■ HC Employees ■ Other Employees

