

December 2006

# CBS Update

We are very pleased to provide you with our bi-monthly newsletter, *Benefits Insights*. Each one features an article relating to a topic specific to qualified retirement plan legislative and administrative issues. We hope you find these articles informative and we welcome your feedback. Past issues of the newsletter have been posted on our website. We invite you to visit our website at [www.creben.com](http://www.creben.com).

## A TIME TO REFLECT

We want to take this moment to thank all of our clients and referral sources for the opportunity to service you. Our success would not be possible without you and we sincerely appreciate the trust you have put in us.

It's hard to believe that another year is coming to a close. The end of the year brings holiday enjoyments, the dawning of a new year, and especially a time for reflection. It's important to take stock and to reflect on our accomplishments over the past year, not just in business but more importantly on our personal achievements. Have you achieved over the past year what you set out to do? What are your resolutions for next year? Have you made an impact on someone's life? Our impacts do not require major expenditures; a simple smile or word of encouragement can work wonders for someone who is down. As you go through your daily lives this next year, don't forget to give a smile to someone.

## A LESSON TO BE LEARNED

Obstacles are those frightful things you see when you take your eyes off your goal.

*Henry Ford*

## GET TO KNOW CBS BRIAN SECREST

Brian joined Creative Benefits in June of 2002 as a Pension Administrator and brought with him six years of pension field experience. In 2004, he passed the final of many tests to become a Qualified 401(k) Administrator (QKA) through the American Society of Pension Professionals and Actuaries (ASPPA). In January 2006, he was promoted to Senior Pension Administrator and was recently promoted to the supervisor of the Defined Contribution Department. His goals are to obtain the Qualified Pension Administrator (QPA) designation, of which he is only one test away, and then to obtain various investment licenses.

Brian and his lovely wife, Debi, are the proud parents of three beautiful girls -- Shelby, Madison and Samantha. Brian coaches his girls' softball teams and serves on the Board of Directors for the Jackson Girls Softball League. In addition to his softball duties, he is kept busy running his girls to swimming, volleyball, soccer and ballet practice. In the little spare time that he has he enjoys golfing, baseball, football and basketball and just about any other outdoor activity that you can think of.

## CONGRATULATIONS TO

**Jennifer Bufe, QPA** on her transition to supervisor and administrator in the Defined Benefit department.

**Brian Secrest, QKA** on his promotion to supervisor of the Defined Contribution department.

**Becky Yeigh** on her promotion to administrator in our Defined Contribution department.

## WELCOME TO

We extend a warm welcome to the following new CBS employees:

**Jeff Legan** – Jeff will be assisting us in our investment advisory services department;

**Annette Huffman** – Annette will be joining our Defined Benefit staff as an assistant to our administrators;

**Darya Wilson** – Darya will be joining our Defined Contribution staff as an assistant to our administrators.

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Referring a friend or business associate to our Firm is a compliment at the highest level. We sincerely appreciate your referrals.

If you know someone who might benefit from receiving our newsletter, please provide us with their name and address so we can add them to our list.

## Building a Better Retirement Future Combo 401(k) & Cash Balance Plans

The Pension Protection Act of 2006 has made it possible for even the smallest employer to realize the many advantages of sponsoring both a 401(k) and a cash balance plan. This combination allows each employer to tailor its retirement plans to provide the owners and key employees with much more than the \$50,000 of deductible contributions available under a stand alone 401(k) while keeping the costs for other employees at a reasonable and predictable level. Often the contributions for the owners and key employees can be increased to \$100,000 or more with little or no increase in the contributions for the other employees. By taking advantage of the changes made by the new law, we can help our clients *“build a better future!”*

The Advantages of this Combination of 401(k) and Cash Balance Plans are:

- Provides key employees with much larger contributions than a 401(k) Plan
- Employer can pick and choose which employees receive larger contributions
- Owners with different ages can receive equal contributions
- Much easier for employees to understand and appreciate
- Cash Balance contributions grow with guaranteed interest
- 401(k) Plan provides employer with flexibility in overall contributions

Here is a typical example of how a combo plan can help the owner build a better retirement future:

Position	Age	Salary	Deferrals	Profit Sharing	Cash Balance	Combo Totals *	% of Total	% of Salary
Owner	53	\$220,000	\$20,000	\$11,800	\$148,500	\$180,300	93.47%	81.95%
Employee 1	24	25,000	0	1,750	500	2,250	1.17%	9.00%
Employee 2	49	40,000	0	2,800	800	3,600	1.86%	9.00%
Employee 3	31	30,000	0	2,100	600	2,700	1.40%	9.00%
Employee 4	55	45,000	0	3,150	900	4,050	2.10%	9.00%
<b>Plan Totals</b>		<b>\$360,000</b>	<b>\$20,000</b>	<b>\$21,600</b>	<b>\$151,300</b>	<b>\$192,900</b>	<b>100.00%</b>	

\* For Owner, includes Deferrals, Profit Sharing and Cash Balance.

The new law encourages 401(k) plans. Adding a cash balance plan can make them even better. CBS has been designing and administering 401(k) and cash balance combinations for over seven years. We have the experience and the creativity to make them work for you. Contact us for a free consultation.