

SPOUSAL - TAX TAG TEAM MAXIMIZES TAX LEVERAGE

Would you believe a deduction of **202% of taxable income?** It's a possibility under the current tax law. The example below demonstrates a specific situation and the deduction possibilities in a profit sharing plan with husband & wife in the same business. This demonstrates the deductions allowable in this situation and compares them to what would have been allowed in the past. The total deduction is almost triple what was allowed under the old rules.

	AGE	SALARY	PLAN CONTRIBUTION	ELECTIVE DEFERRAL	TOTAL DEDUCTIONS
Owner	50	\$211,000	\$32,500	\$22,000	\$54,500
Spouse	50	\$ 49,000	\$32,500	\$22,000	\$54,500
Total		\$260,000	\$65,000	\$44,000	\$109,000

COMPARE MAXIMUM DEDUCTIONS TO A PROFIT SHARING PLAN WITH THE SAME SALARIES (Before and after EGTRRA)

	Old Law	New Law
OWNER	\$25,500	\$54,500
SPOUSE	<u>\$ 6,600</u>	<u>\$54,500</u>
	\$32,100	\$109,000

Taxable salary for spouse	=	\$27,000
Total deductions for spouse	=	\$54,500

BUSINESS DEDUCTS 202% OF SPOUSE'S TAXABLE SALARY!

This is only one example of the flexibility of the new retirement planning tax laws. We specialize in this area of business planning. Let our experts find the tax rules that give you the biggest tax breaks. Our feasibility studies require only a few minutes of your time!

**** Ask us how you can receive tax free retirement income!**

*This information is not intended as tax or legal advice. It is simply a sample of what can occur in one circumstance. Please consult your tax advisor or attorney for advice on your exact situation.