



Roney Insurance Solutions

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Custom Cash Balance Plan

STRATEGIES



Unlocking Six-Figure Tax Savings for Professionals and Business Owners

At Roney Insurance Solutions, we specialize in helping high-income professionals, business owners, and entrepreneurs reduce their tax burdens while building wealth and protecting their legacy.

Traditional retirement plans like 401(k)s and IRAs often leave top earners frustrated. The limits are too low, the tax deductions too small, and the strategies too generic. That's where custom Cash Balance Plans and advanced tax minimization strategies come in.

This guide will show you how nine real-world professionals — from surgeons to financial advisors — achieved extraordinary results using tailored designs that reduced taxes today, created tax-free retirement income, and secured wealth for future generations.



The Problem & The Opportunity

The Problem: Paying Too Much in Taxes

- Many successful professionals pay six-figure checks to the IRS every year.
- Contribution limits on 401(k)s and IRAs (less than \$30K/year) barely make a dent.
- As retirement nears, Required Minimum Distributions (RMDs) force withdrawals — and taxes — even when clients don't need the money.

The Opportunity: Custom Cash Balance Strategies

Cash Balance Plans (CBPs) are IRS-qualified retirement plans that allow far greater contributions — from \$100K to \$350K+ annually depending on age and income. Contributions are fully deductible, lowering taxable income when clients are in their highest brackets.

When paired with Retirement Tax Minimization Strategies (RTMS), clients can also reduce RMD exposure, reposition pre-tax assets into tax-efficient structures, and even fund life insurance that later provides tax-free retirement income and estate liquidity.

Result: Clients save taxes today, build wealth for tomorrow, and leave more to their families.

How Cash Balance Plans Work

- **High Contribution Limits**— Business owners and professionals can deduct \$100K–\$350K+ per year.
- **Tax-Deferred Growth**— Investments grow without current taxation.
- **Layer with 401(k)/Profit Sharing**— Create maximum deduction strategies.
- **Flexibility**— Plans can be adjusted year-to-year to match income levels.
- **Integration with Life Insurance**— Funds can be used to purchase permanent insurance, later bought out at discounted fair market value for tax-free retirement income.
- **IRS-Compliant**— Actuarially certified and structured within IRS guidelines.

The Long-Term Strategy:

NOW: Reduce today's taxes during peak earning years.

LATER: Manage RMDs and legacy transfers with RTMS strategies.



Cash Balance Plan Tax Savings Estimator

Business Owners Age	Sample Deductible Contributions to Cash Balance Plan	Estimates Federal & State Income Tax Savings
Age 60	\$390,000	\$163,000
Age 50	\$302,000	\$126,000
Age 40	\$183,000	\$76,000
Age 30	\$111,000	\$46,000

Maximum Contributions By Plan Type

Business Owners Age	401(k) Profit Sharing Plan Limit	Sample Deductible Pension Plan Contributions
Age 60	\$76,500	\$390,000
Age 50	\$76,500	\$302,000
Age 40	\$69,000	\$183,000
Age 30	\$69,000	\$111,000

Client Case Examples

Surgeon – \$280K Annual Tax Savings

Before:

- Earning \$1.2M annually.
- Maxed out 401(k) contributions at ~\$30K.
- Paying nearly \$500K in federal and state income taxes.

Strategy:

- Designed a Cash Balance Plan allowing \$500K in deductible contributions.
- Integrated with 401(k) + profit-sharing to maximize total funding.

After (Results):

- Deductible contribution: \$500K.
- Tax savings: ~\$280K annually.
- Reduced taxable income to ~\$700K while building long-term retirement wealth.

Orthopedic Group (3 Partners)

Before:

- Three partners, 13 staff.
- Already in year 7 of a Defined Benefit Plan, funding ~\$350K total.
- Employee costs were high compared to partner benefits.

Strategy:

- Transitioned from traditional DB plan to Cash Balance Plan with profit sharing.
- Adjusted contributions to maximize partner allocations while meeting minimums for staff.

After (Results):

- Partner contributions: ~\$800K combined.
- Annual tax savings: ~\$450K across partners.
- Staff retained fair benefits while partners captured ~85% of plan value.



Financial Advisor (Age 66)

Before:

- Solo advisor with \$1M+ in windfall earnings.
- Facing a 42% marginal tax rate.
- Traditional retirement plan maxed at ~\$30K.

Strategy:

- Created a Cash Balance Plan with ability to “double up” contributions.
- Deducted two years of plan contributions in one tax year (\$1.1M total).

After (Results):

- Tax savings: ~\$460K in year one.
- Purchased life insurance inside plan, later repositioned for tax-free income.
- Created \$6M death benefit for estate planning.



Corporate Executive

Before:

- Large IRA/401(k) balances (\$3.5M).
- Nearing retirement, worried about RMDs at age 73.
- Expected RMDs would push taxable income into higher bracket.

Strategy:

- Implemented RTMS: repositioned pre-tax assets into a grantor trust-owned life insurance structure.
- Reduced future RMD exposure by shifting balance outside IRA.

After (Results):

- Lowered projected RMDs by ~40%.
- Reduced lifetime taxes by ~\$600K.
- Created tax-free legacy of \$2.5M for heirs.

Dentist – Life Insurance Integration

Before:

- Practice owner netting \$800K annually.
- Paying ~\$320K annually in income taxes.
- Limited retirement contributions through 401(k).

Strategy:

- Funded CBP with \$200K annual contributions.
- Purchased Indexed Universal Life (IUL) inside plan.
- Structured policy for discounted fair market value buyout at year 5.

After (Results):

- Annual tax savings: ~\$90K.
- At year 5, dentist purchased IUL at ~40% discount.
- Projected retirement income: ~\$120K annually, tax-free, from policy loans.



Veterinarian – Early Retirement Path

Before:

- Clinic owner earning \$700K annually.
- Traditional 401(k) capped at \$30K contributions.
- High tax liability (~\$250K/year).

Strategy:

- Layered 401(k) + CBP for \$275K total annual contributions.
- Structured plan to favor owner while meeting staff minimums.

After (Results):

- Annual tax savings: ~\$160K.
- Owner funded \$2.75M in 10 years into retirement plan.
- Enabled option for early retirement at 55.

Realtor – Fluctuating Income

Before:

- Independent broker with highly variable income (\$400K–\$1M per year).
- Unable to plan consistent tax strategy.
- Overpaying in peak years.

Strategy:

- Implemented flexible CBP design with adjustable annual contributions.
- Paired with 401(k) in high-income years.

After (Results):

- Average annual contributions: \$150K.
- Saved ~\$60K annually in taxes.
- Built \$1.5M retirement pool in 10 years, tax-deferred.



Consultant – 1099 High Earner

Before:

- Solo consultant with \$600K in 1099 income.
- No W-2 staff, no retirement plan.
- Paying ~\$240K annually in federal/state taxes.

Strategy:

- Created solo Cash Balance Plan with \$250K deductible contributions.
- Coordinated with SEP-IRA rollover.

After (Results):

- Reduced taxable income to \$350K.
- Annual tax savings: ~\$105K.
- Built \$2.5M retirement fund over 10 years, fully tax-deferred.

Law Firm Partners

Before:

- Two partners, combined income \$2M.
- Traditional profit-sharing plan allocated too much to employees.
- Paying ~\$700K annually in taxes.

Strategy:

- Implemented CBP with partner-focused design.
- Allocated ~\$400K each to partners, ~\$50K to staff.

After (Results):

- Partner contributions: ~\$800K combined.
- Annual tax savings: ~\$310K.
- Created long-term tax shelter for firm succession planning.





Summary

The Big Picture:

- Cash Balance Plans unlock six-figure annual tax savings.
- RTMS strategies reduce RMDs and build tax-free legacy wealth.
- Life insurance integration provides retirement liquidity and estate planning benefits.
- Every design is custom — no two plans are alike.

At Roney Insurance Solutions, we have helped countless business owners, physicians, executives, and professionals save hundreds of thousands of dollars in income taxes while simultaneously building retirement wealth and protecting their families. With decades of combined experience in advanced tax strategies, actuarial design, and estate planning, we bring the expertise needed to craft a solution that fits your unique financial fingerprint.

Your Next Step:

Don't write another six-figure check to the IRS without exploring your options. We would love the opportunity to show you the same strategies that have transformed our clients' financial lives.

Schedule your Custom Tax Strategy

CLICK HERE TO SEE IF YOU QUALIFY TO SAVE ON TAXES