



**EXPERT
FINANCIAL
PLANNING
ADVICE IN
MIAMI**

HELPING YOUR SMALL BUSINESS OWNER CLIENTS KEEP MORE OF WHAT THEY EARN

Do you have small business owner clients getting crushed by taxes with no clear way to save more for retirement? A Cash Balance Plan could allow them to contribute \$100,000 to \$300,000+ annually—pre-tax—while significantly lowering their taxable income.

At Mendoza Private Wealth, we work alongside CPAs—not just as a referral source, but as a strategic partner. Together, we bring clarity to complex decisions and introduce planning tools that help high-income clients manage income and prepare for the future.

WHAT IS A CASH BALANCE PLAN?

A cash balance plan is a type of defined benefit retirement plan that combines features of a traditional pension with the transparency of a 401(k). Business owners can make substantial tax-deferred contributions each year, well beyond 401(k) limits, while tracking their account growth along the way.

Upon retirement, funds can be rolled directly into an IRA or paid out over time. When used alongside a 401(k), a cash balance plan can open additional layers of tax efficiency for high earners.

WHO MAY BENEFIT?

This strategy is often a fit for:

- Small business owners including private medical practices and law firms
- Professionals in their 40s, 50s, or 60s looking to increase retirement savings
- Practices with few employees and high owner income
- Clients already maxing out traditional retirement plans

WHY A CPA IS UNIQUELY POSITIONED

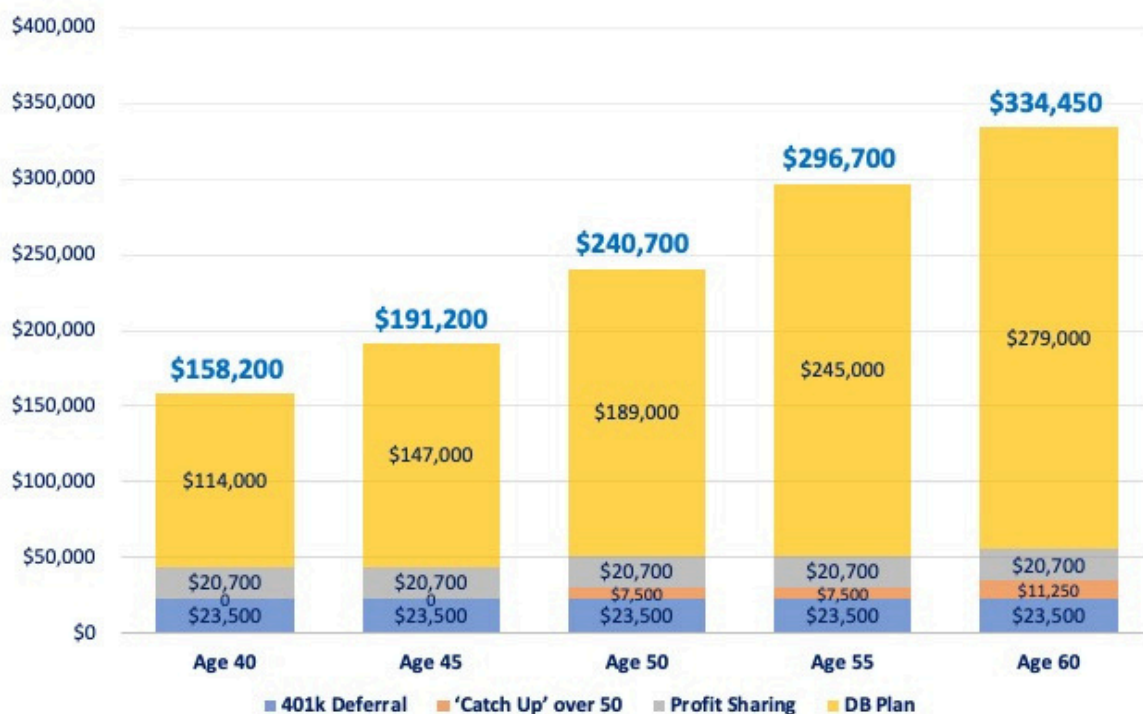
You're often the first to identify when clients have excess income or rising tax burdens. A brief discussion about their goals, income, and staffing structure is often enough to determine if exploring this option makes sense.

Potential benefits to your clients:

- Higher annual contribution limits than SEP or 401(k) plans
- Significant tax savings by reducing their adjusted gross income
- Additional protection in some states like Florida from lawsuits and creditors
- Tailored plan designs aligned with specific business needs

Defined Benefit Plan & 401k/Profit Sharing Plan - Combined Limits (2025)

Sole owner with compensation of at least \$350,000



IMPORTANT CONSIDERATIONS

While the benefits are compelling, there are some important factors to keep in mind:

- Defined benefit contributions are required, even in lower-income years.
- Administration involves higher costs than standard plans.
- Business owners with several employees may need tailored structures.
- Plans must meet nondiscrimination and funding rules annually.

These complexities are manageable with experienced professionals guiding the process.

WHY CPAS PARTNER WITH IVÁN

Cash balance plans involve plan design, detailed compliance, and actuarial oversight. That complexity can become a hurdle—unless your client has the right team in place.

At Mendoza Private Wealth, we work directly with the client, their CPA, Recordkeeper, and a Third-Party Administrator (TPA) to provide the following:

- Plan design based on business cash flow, staffing, and tax goals
- Setup and annual updates required by the IRS
- Ongoing portfolio oversight within the plan
- Open communication with the CPA to keep everything aligned

As a fee-only fiduciary, Iván's focus is on simplification, transparency, and collaboration— not selling products.

LET'S EXPLORE POTENTIAL OPPORTUNITIES TOGETHER

If you have a small business owner client who consistently expresses concern about taxes, this could be the right moment to explore an additional planning layer.

Let's start with a short conversation by booking a time with me [here](#). With just a few details, we can evaluate whether this strategy makes sense and map out what next steps could look like—for you and for them.

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