



What is a Combo Plan?

A “combo” retirement plan brings two plans together, a traditional 401(k) and a cash balance plan, allowing business owners to significantly increase their annual retirement contributions, reduce tax liability, and reward their talented associates. The flexibility of a 401(k) combined with the powerful tax advantages of a defined benefit plan can often exceed \$200,000 and, depending on age, compensation, and plan design, may approach or exceed \$300,000 per year under current IRS limits.

The ideal time to start a combo plan is at the beginning of the plan year. This gives EGPS ample time to model plan design, ensure compliance, and prepare IRS reporting by year-end.

Why consider this “layering” retirement strategy?

The main advantages? Higher contribution limits and lower tax bills. With catch-up contributions, contributions can be double or triple the 2026 401(k) max of \$80,000. Company contributions are top-line deductions for the business, providing major tax savings for the business and individual owners.

Combo plans benefit shareholders and partners while delivering meaningful benefits for employees. The plans help attract and retain top talent, offering long-term savings that support both business goals and employee loyalty.



Who is a good fit for a combo plan?

A combo plan is ideal for business owners aged 40 or older who have consistent cash flow, are already maximizing their 401(k), and are looking to significantly reduce taxable income while accelerating retirement savings.

Feature	401(k) plan	Cash balance plan
Contribution limit (2026)	\$80,000*	\$100–\$300k
Plan type	Defined contribution	Defined benefit
IRS reporting	Form 5500	Actuarial + Form 5500

*Includes catch-up for age 50+ catch-up contributions for 2026.

Ready to Explore a Combo Plan?

Blue Ridge designs customized retirement plan solutions aligned with your business goals and tax strategy. With in-house actuarial expertise and dedicated compliance support, we make complex plan design easier. **Let’s build a plan that works for you.**