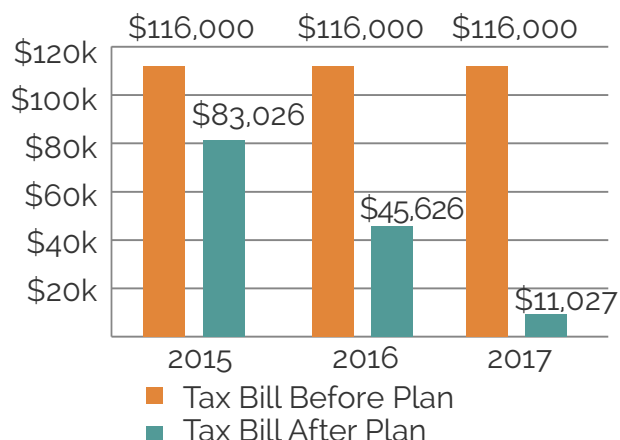


HVAC Business Owner in Charleston, SC Saves \$208,321 In Taxes

Results

Combined Federal & State taxes were reduced from \$116,000 per year to:



In only three years, the client's net worth increased by over **\$200,000**, with zero investment risk, and the client has a guaranteed lifetime retirement income benefit in excess of what they previously thought was unreachable. The client is in a position after only three years to retire comfortably, compared to their desired goal of **5-7 years** that was unreachable under their previous plan, and the client has been taking the opportunity to travel the world with family, now that there is a clear path forward.

Background

A client operated a successful HVAC business for many years. The business generated approximately \$300,000 in cash flow and was in a C-Corporation. Like many C-Corporations we come across, the prior "strategy" was to pay the profit out in W-2 wages to avoid double taxation, while overpaying FICA. The client was paying approximately \$116,000 in income tax and FICA tax each year.

Like a lot of clients we work with, the client envisioned a 5-7 year exit strategy in his business to enjoy retirement, but with the constant revolving door of tax payments coming due, couldn't get the numbers to work within that timeframe and like many business owners that approach us, felt like they would never be able to retire with enough savings.

Plan

The client wanted a 5-7 year exit strategy and is extremely conservative and wanted fixed/guaranteed options for any retirement balances. Based on the client's preferences, cash flow needs, and budget, we designed their custom tax plan with:



Reduced W-2 wages to \$80,000 per year with a compensation study, cutting FICA tax in half



Implemented a retirement plan contributing \$200,000 annually, of which 90% of that amount was for the owners' benefit



Optimized the corporate structure to reduce rates and avoid double taxation



Created a retirement savings plan and exit strategy utilizing fixed return and guaranteed options to achieve the retirement goals, while eliminating risk



Implemented an insurance strategy through the business to make the payments tax-deductible