

Physicians'
Advantage Plan™

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The Physicians' Advantage Plan™ is an executive benefit plan that maximizes the value of hospital-based income such as call pay and directorship compensation. It provides a way for physicians to defer current income taxes and accumulate wealth on a pre-tax basis without reducing the opportunity to fully participate in qualified plans such as 401(k)'s and pension plans.

Like most people in higher marginal tax brackets, physicians are interested in sheltering current income from state and federal taxes beyond the limits and restrictions of 401(k) and pension plans. However, private practices typically do business as S Corporations, LLC's or Partnerships, which are flow-through business entities. In such entities, practice income is taxable at the physician's individual tax-rate. Therefore, corporate executive benefits are not ideally suited for private practice groups. With the Physicians' Advantage Plan™, your hospital is taking the initiative to change tradition.

Eligibility And Participation

The Physicians' Advantage Plan™ is designed specifically for all physicians and independent practice groups of your hospital. An Eligible Individual shall become a Participant on his or her Entry Date. No individual shall become a Participant if he or she has not submitted the Election Forms required by the Plan by his or her Entry Date. Any individual who fails to become a Participant on the individual's Entry Date for any reason (e.g., failure to submit the Election Forms by the required due date), shall be eligible to become a Participant on the first day of any subsequent Plan Year that the individual is an Eligible Individual, by submitting the required Election Forms before the first day of the applicable Plan Year.

Key Physician Advantages and Benefits

1

Ability to defer current state and federal income taxes and invest on a pre-tax basis

2

Ability to defer all or a portion of eligible compensation and change elections annually

3

Flexible distribution options (minimum three-year deferral period)

4

Distributions may be taken as a lump sum or spread over a period of years

5

Distributions may be linked to specific life events such as college education funding or retirement planning

6

There are no administrative costs for physicians

Technical Terms

And Plan Operations

The Plan is a non-qualified deferred compensation plan, typically used as an executive-benefit in regular corporations. It allows affiliated physicians to defer current income taxes on compensation earned under an on-call and/or directorship contract. Physicians individually choose how to invest their accounts among an array of mutual funds. Individual accounts may be viewed and managed on-line much like a brokerage account. Contributions and market performance remain tax-sheltered until scheduled distributions are paid out. Distributions are taxed as ordinary income when received.

Voluntary contributions are elected annually and are expressed as a percentage of eligible income. Distributions must satisfy a minimum deferral period of three years, but unlike a qualified plan, there are no age-based withdraw penalties. The program can accommodate practice and individual payment arrangements.

Key Features

And Plan Options

The Physicians' Advantage Plan™ is designed on a flexible basis while adhering to the regulations that govern non-qualified plans. The following describes the specific rules pertaining to three key features of the Plan:

Features	Plan Options
Contributions	100% Voluntary
Vesting	100% Immediate
Minimum Deferral Period	3 Years

Key Hospital

Advantages and Benefits



Improved physician alignment and satisfaction



Improved recruiting and retention



Unique market differentiation tool



Expense containment and recovery through plan design

Request More Information

The Physicians' Advantage Plan is brought to you by Maxworth Consulting Group, LLC. If you would like to learn more about the program, or if you would like to schedule a virtual informational meeting, please contact MaxWorth Consulting Group, LLC by calling 877-643-7520.

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