The Dental Practice Owner's Complete Guide to 401(k) Plans

Where you are today, what your plan could look like, and what it solves at every stage of practice ownership.

A.J. Stevenson
Financial Advisor & Partner, Virtus Financial Partners

2026 EDITION

Your 401(k) Is the Foundation of Your Financial Life

Most dental practice owners think about their 401(k) once a year, when the recordkeeper sends a participant notice and the office manager asks for a signature. By the time you read this, your 401(k) is probably the largest single account in your household, or it is on its way to becoming that, and the amount of attention it gets rarely matches the amount of weight it carries.

This guide is the conversation we have with every dental practice owner we work with, walking through where they are today, what the plan could look like with the right structure, and what it solves at every stage of practice ownership.

What's inside

WHERE YOU ARE TODAY

Five Stages, One Owner Journey

Most owners aren't starting at zero. Find the chapter you're in. The rest of the guide picks up from there.

BEGIN
01

No Plan Yet

No retirement plan in place, or only an IRA. Start with a plan structured to fit the practice, not a one-size-fits-all template pulled off the shelf.

Where most solo doctors start

STAGE
02

Audit Your Plan

A plan exists, but fees and design have never been reviewed. Make the invisible visible before you optimize anything else.

Discovery phase

STAGE
03

Design for Owner Contributions

Layer Safe Harbor and profit sharing so owner contributions push to the federal maximum, unlocking significant tax savings while keeping staff cost predictable.

Where the math kicks in

STAGE
04

Open the Investment Universe

Add an SDBA window, then coordinate plan holdings with personal accounts. This optimizes tax efficiency via asset location across your portfolio.

Coordination layer

ANCHOR
05

Layer Cash Balance

When the 401(k) is maxed and the practice still has income to shelter, a cash balance plan stacks on top to defer another six figures, driving substantial additional tax savings.

For high-income years

STAGE 01

You Do Not Yet Have a Plan

You know you need a retirement plan for your practice. Your CPA has probably mentioned it, and you may have spent time on Reddit reading conflicting advice about SEPs, SIMPLEs, Solo 401(k)s, and Safe Harbor plans, walking away more confused than when you started.

The sticking point for most owners at this stage is the fear that a 401(k) is too expensive and too complicated, and that a simpler option will get you close enough. It usually does not.

Here is an overview of your five options:

SEP IRA - Employer-only contributions up to $72,000 in 2026. Whatever percentage you contribute for yourself, you must contribute the same percentage for every eligible employee, which means once you have staff on payroll, the SEP is functionally off the table for most practice owners.

SIMPLE IRA - Employee deferrals up to $17,000 in 2026, plus a required employer match or nonelective contribution. The ceiling is roughly a third of what a 401(k) allows, and switching from a SIMPLE to another plan involves timing rules that can delay the transition.

Solo 401(k) - Designed for self-employed dentists or 1099 contractors with no full-time employees other than a spouse. It allows both employee and employer contributions, reaching $72,000 in 2026 (under 50) on lower compensation than a SEP requires, which is why it is typically the right answer for a 1099 associate or sole proprietor.

Traditional (non-Safe Harbor) 401(k) - The same plan structure as a Safe Harbor 401(k), but without the built-in employer contribution that bypasses nondiscrimination testing. The contribution limits are identical on paper. In practice, when staff participation is uneven (which it commonly is in a dental practice), the annual ADP and ACP testing can sharply limit the owner's deferral below the IRS limit, and a failed test discovered after year-end can require refunding a portion of the owner's contributions. For many owners with staff, that testing risk is why a non-Safe Harbor design is often not the best fit, though the right structure depends on your census and goals.

Safe Harbor 401(k) - A 401(k) plan with a built-in employer contribution that satisfies IRS nondiscrimination testing automatically. For many dental practices with employees, this is the structure we point to first, because it combines the highest contribution limits with predictable employer cost, though the right fit still depends on your census and goals.

If you own a practice with staff, the comparison that matters is Safe Harbor 401(k) versus SIMPLE. With a Safe Harbor 401(k), you can layer employee deferral, employer Safe Harbor contribution, and profit sharing, reaching up to $72,000 a year for an owner under 50 in 2026. With a SIMPLE, you have employee deferral of $17,000 plus a required employer match of up to 3% of compensation, which puts the owner cap around $27,800 in 2026 depending on W-2. The annual gap is roughly $44,000, and the tax savings gap compounds from there. A qualified 401(k) is also generally protected from most creditors and malpractice claims under federal law, though that protection is not absolute, while a SIMPLE IRA's protection is narrower.

What the right advisor does at this stage? - Run a side-by-side fit analysis on your practice census, confirm the structure with your CPA, and coordinate the recordkeeper, TPA, and payroll setup so the plan launches clean. For eligible small employers, SECURE 2.0 startup credits can offset a substantial portion of plan startup costs for up to three years, with the actual offset depending on eligibility and employee count.

Outcome - A plan with the right structure for your demographics, rather than an off-the-shelf default.

STAGE 02

You Have a Plan, But You Do Not Know What It Costs

This is where most practice owners live. You have a 401(k) that came packaged with payroll or was set up by a generalist advisor years ago, statements come in, contributions go out, and nobody has reviewed it in two or more years. You have a vague sense that it costs you something, but you probably could not tell us what.

The first job at this stage is to make the invisible visible.

The three levers

Every 401(k) we review comes down to three levers, and each one, dialed correctly, changes what the plan does for you as the owner.

- **Fees** - What the plan costs across every layer, including the fund expense ratios, revenue sharing baked into those funds, recordkeeping fees, TPA fees, and advisor fees. The headline platform fee on the invoice is rarely the full picture.

- **Plan design** - What the plan was designed to do. A basic design provides a modest employee benefit and lets you defer up to $24,500 in 2026 (under 50), which is fine if that is all you wanted. A properly designed plan is built to maximize owner contributions and tax savings, sheltering up to $72,000 a year for an owner under 50.
- **Investment strategy** - What is inside the plan and who is managing it. Your employees need a curated, professionally monitored menu with reasonable expense ratios. As the practice owner, you need a coordinated investment strategy that connects to your taxable accounts, IRAs, and Roth, which a generic 15-fund menu cannot provide.

What is actually in your fee stack

Most dental 401(k)s carry four or five fee layers, depending on how the plan is built. Each one is worth understanding on its own before you can read the all-in cost.

Investment expense ratios - Every mutual fund inside the plan charges a percentage of your assets to manage the fund. A broad-market index fund typically runs 0.03 to 0.20%, while an actively managed fund can run anywhere from 0.50 to 1.5%. Many practice plans carry a lineup weighted toward the active end of that range, sometimes paired with revenue sharing arrangements that are not visible to the participant.

Revenue sharing - A payment from the fund companies back to your plan's recordkeeper or advisor, typically 0.25 to 0.75% of plan assets. It does not appear as a line item on your statement because it is baked into the fund expense ratios, flowing sideways to someone you did not know was getting paid.

Recordkeeping and administrative fees - Charges for running the platform, producing statements, handling compliance testing, filing Form 5500, and maintaining the technology. The recordkeeper charges either an asset-based fee, an annual flat fee, or both, usually with a per-participant fee added on top. The right combination depends on your plan size today and where it is heading, since asset-based fees scale with plan growth and flat fees do not.

TPA fees, if applicable - A separate professional from the recordkeeper. The Third Party Administrator (TPA) writes and maintains the plan document, runs nondiscrimination testing, and models the profit sharing allocation that weights contributions toward you as the owner. In a bundled plan, the recordkeeper does this work and folds it into the recordkeeping fee, while in an unbundled plan, the TPA is paid separately so the work is fully transparent.

Advisor fee - What your plan's advisor charges for investment oversight, plan design guidance, and employee education. The fee typically depends on plan assets, often starting around 0.75% on smaller plans and scaling down as the plan grows.

How to read your own plan

Once you understand the layers, the next step is finding each one in your own plan documents and seeing what you are actually paying. Use the checklist below as you walk through your 408(b)(2) fee disclosure.

> **Reading your own 408(b)(2)**
>
> ☐ **Fund expense ratios** - What is the weighted average across the funds in your menu?
>
> ☐ **Revenue sharing** - Are any of the funds paying revenue sharing back to the plan or its providers?
>
> ☐ **Recordkeeping** - Is the fee asset-based, annual flat, per-participant, or some combination?
>
> ☐ **TPA** - Is the TPA bundled into recordkeeping or paid separately?
>
> ☐ **Advisor fee** - What does the advisor charge, and is it tiered by plan assets?
>
> ☐ **All-in** - What is the total when you add every layer?

The result of running this checklist is often the same. The headline platform fee looks competitive. The all-in number, with every layer on the table, can tell a different story.

The result is a plan that can look cheap on the invoice and prove expensive in practice.

Transparency on every layer plus a plan design built to maximize your tax savings as the owner is the point. Where fees can be reduced, the review identifies it. When both are in place, more of your money has the chance to compound in your retirement accounts instead of disappearing into the fee stack.

What the right advisor does at this stage - Pull the 408(b)(2) fee disclosure, deconstruct every layer, and benchmark each one against what a practice of your size should be paying. The review is the deliverable, and the decision is yours.

Outcome - With every fee layer on the table, you can read your own plan and decide what each one is worth.

STAGE 03

You Have a Plan, But the Design Caps Your Contribution

Stage 3 is where the plan design comes together. The goal is to maximize what you can contribute as the owner, minimize the cost to run the plan, and turn both into the largest possible tax savings on the practice and personal side.

Many of the plans we review have room to reduce fees and to improve the design so it captures more of what the structure allows.

Safe Harbor as the foundation

A Safe Harbor 401(k) bypasses the annual testing that otherwise caps how much a highly compensated employee, typically the owner, can defer. In exchange, the practice makes one of two standardized employer contributions to eligible staff.

- **3% nonelective contribution** - 3% of each eligible employee's compensation, regardless of whether they participate. This is the option that pairs cleanest with a profit-sharing design. Every eligible employee gets the 3% whether they defer or not, which simplifies the allocation and the testing.
- **4% matching contribution** - Dollar-for-dollar on the first 3% of employee deferrals, then 50 cents on the dollar for the next 2%. Total cost runs lower if staff participation is low.

Profit sharing is where the contribution scales

Once Safe Harbor is in place, profit sharing is the lever that shelters the rest of your $72,000 combined limit (under 50). Profit sharing is fully deductible to the practice and can vary year to year based on profitability, so a strong year invites a larger contribution and a lean year can allow a smaller or skipped contribution.

The design of the profit sharing allocation is what determines how much flows to you as the owner versus your staff. Properly designed, the allocation directs the majority of the profit sharing dollars to you while still meeting the IRS nondiscrimination requirements. Your TPA models the allocation each year based on your practice's specific demographics, and a small change in W-2 compensation or staff census can move the result meaningfully.

Dr. Sarah - What a properly designed plan looks like

Dr. Sarah owns a single-doctor practice collecting $1.8 million annually with a 40% profit margin. Her CPA sets her W-2 at $360,000. Her spouse works in the practice as the administrator at a $35,000 salary, and she employs 8 additional eligible staff averaging $50,000 each.

Here is what her plan looks like in 2026 under a properly designed Safe Harbor 401(k) with profit sharing.

STAGE 03 THE MATH

How a Properly Designed Plan Gets to $72,000

Three contribution layers build Dr. Sarah's $72,000 of annual retirement savings. Because the practice deducts every dollar that goes into the plan, the tax savings more than offset the cost of funding staff and running it.

ANNUAL CONTRIBUTIONS, 2026

Dr. Sarah (Owner dentist)		Spouse (On payroll at $35k)		8 Staff (Combined, approx. $50k average)	
$72,000		**$25,550**		**$19,000**	
Employee Deferral	$24,500	Employee Deferral	$24,500	Safe Harbor (3%)	$12,000
Safe Harbor (3%)	$10,800	Safe Harbor (3%)	$1,050	Profit Sharing	$7,000
Profit Sharing	$36,700				

TOTAL PLAN CONTRIBUTIONS **$116,550**

PRACTICE-SIDE TAX MATH

Tax savings @ 37% marginal	Less contributions to staff	Less admin out-of-pocket (TPA + recordkeeper)
approx. $43,100	**($19,000)**	**($4,800)**

NET PRACTICE TAX SAVINGS
After every dollar going to staff, the plan pays for itself.
approx. $19,300

Single-doctor practice • $1.8M collections • 40% margin • W-2 set at $360k • Spouse on payroll at $35k • 8 eligible staff @ approx. $50k average.

Based on an actual anonymized Benefit Practice plan design. Allocation modeled by the plan's TPA. Marginal rate assumes 37% federal. Individual results vary and are not a guarantee of future outcomes.

Dr. Sarah and her spouse build $97,550 a year in retirement assets inside an asset-protected vehicle, while the practice deducts $116,550 in plan contributions. After covering every dollar of staff contributions and the plan's out-of-pocket admin, the practice still nets $19,300 in tax savings. In this design, the plan generates net tax savings beyond what it costs the practice to run.

Every eligible employee gets a 3% Safe Harbor contribution plus a share of profit sharing regardless of whether they personally defer, which makes the plan a retention and recruiting tool that is fully deductible to the practice. Your TPA models the allocation each year so the plan passes nondiscrimination testing while maximizing what flows to you.

> ### Curious what these numbers look like for your practice?
>
> A complimentary plan review runs the same analysis on your specific census, compensation, and tax picture.
>
> **Request a Plan Review**

What the right advisor does at this stage - Coordinate the design with your CPA, your TPA, and your cash flow, set the W-2 with your CPA so the allocation tests well, and model the profit sharing allocation against your specific census every year. Most plans default to a $24,500 deferral cap rather than the $72,000 combined limit because no one is steering the design.

Outcome - With the right design, the plan can shelter up to $72,000 a year in 2026 for an owner under 50, rather than capping you at the deferral limit.

STAGE 04

You Have an Optimized Plan, But It Is Still On An Island

Most 401(k) plans offer a curated menu of 15 to 25 mutual funds, and that is appropriate for your staff, who need a professionally monitored lineup they can use without thinking about asset allocation, rebalancing, or fund selection. As the practice owner, you need something different.

Your retirement investments should be coordinated with your overall financial picture, which includes your taxable brokerage, your Roth, your spouse's IRA, and any non-retirement holdings. That coordination is not possible from a generic 15-fund menu, because the menu was not built for you.

This is what a Self-Directed Brokerage Account, or SDBA, is for.

Two islands and a bridge

Your 401(k) sits on one island, running its own narrow economy of pre-selected funds, while the rest of your household (the taxable brokerage, the Roth, your spouse's accounts) sits on the other island, running your real financial plan. Without an SDBA, the two islands never talk to each other.

The SDBA is the bridge.

What an SDBA actually is

A brokerage window inside your 401(k) that gives access to the full range of investments available through a custodian like Schwab, including the investible universe of ETFs, mutual funds, alternatives, and more. We access this through the Schwab Personal Choice Retirement Account (PCRA), available through most unbundled recordkeepers.

The advisor's role is to build the asset allocation that drives your overall financial plan directly inside the SDBA. That is what the window makes possible, rather than limiting your 401(k) to the pre-selected fund lineup.

STAGE 04 • INVESTMENT UNIVERSE

Core Menu vs SDBA

The SDBA option opens up your plan to nearly any investment available in the market, with very few restrictions.

DEFAULT SETUP **Core Menu** What recordkeepers typically ship out of the box.	WITH ADVISOR **SDBA Window** Your 401(k) gets the same menu as your personal portfolio.
INVESTMENT UNIVERSE 15 to 30 pre-selected funds	INVESTMENT UNIVERSE Thousands of funds, ETFs, individual securities
ASSET LOCATION FLEXIBILITY Limited to what the menu offers	ASSET LOCATION FLEXIBILITY Match each asset to the right account type
COORDINATION WITH PERSONAL ACCOUNTS Plan and personal accounts run separately	COORDINATION WITH PERSONAL ACCOUNTS One advisor coordinates both sides as one portfolio
FUND EXPENSE RATIOS Whatever the menu offers	FUND EXPENSE RATIOS Choose the lowest-cost share class available
TRADING & REBALANCING Limited windows; changes follow the recordkeeper's calendar	TRADING & REBALANCING Same-day execution; advisor rebalances when the portfolio calls for it

How an advisor-managed SDBA works

In the context of a coordinated financial plan, the SDBA is an advisor-managed tool. The window provides the infrastructure, and your advisor pulls the levers, designing the portfolio, executing trades inside the brokerage window, and keeping the 401(k) coordinated with the rest of your accounts. It is not a venue for picking individual stocks or day-trading your retirement, even though some assume self-directed implies exactly that.

Asset location, the real differentiator

Asset location is the practice of placing specific investments in the accounts where they are most tax-efficient. Tax-inefficient assets like bonds and REITs generate ordinary income or frequent distributions, so they belong inside a tax-advantaged wrapper like the 401(k). Tax-efficient assets like broad-market equity index funds produce most of their return through long-term appreciation and qualified dividends, so they are generally better held in taxable accounts where you control when to recognize gains.

STAGE 04 • ASSET LOCATION

Where Each Asset Type Belongs

Different accounts get taxed differently. Holding the wrong investment in the wrong account quietly costs you over a long horizon, even when the underlying returns are identical.

TAX-DEFERRED

401(k) / Traditional IRA

For ordinary-income generators; interest is sheltered until withdrawal

PARK HERE

- Taxable bonds and bond funds
- REITs
- Actively managed equity funds
- High-turnover strategies

AFTER-TAX

Taxable Brokerage

For tax-efficient holdings; you control when gains are realized

PARK HERE

- Broad market index funds and ETFs
- Individual stocks held long-term
- Municipal bonds
- Tax-managed funds

TAX-FREE GROWTH

Roth IRA / HSA

For highest-expected-return assets; qualified growth is never taxed

PARK HERE

- Small-cap and emerging markets
- High-growth equity
- Concentrated long-term positions
- Anything with the longest runway to compound

Without an SDBA, asset location ends up wherever the menu lands. With an advisor-managed SDBA, it is intentional, with bonds and REITs in the 401(k), broad-market equities in taxable, and Roth dollars in growth allocations because qualified Roth distributions are tax-free in retirement, subject to the 5-year holding period and a qualifying event such as reaching age 59½, death, or disability.

What the right advisor does at this stage - Confirm the recordkeeper supports an SDBA and the plan document allows it, confirm the transfer cap (some platforms cap the percentage of plan assets that can sit inside the SDBA while others allow the full balance), build the custom ETF allocation, and rebalance quarterly across all accounts so the household stays coordinated.

Outcome - The 401(k) becomes fully coordinated with your taxable accounts, your IRAs, and your spouse's accounts, instead of running on its own.

STAGE 05

You Have Maxed the 401(k) - Now Layer Cash Balance

For owners who have already optimized the 401(k) and are still generating more income than they can shelter, cash balance is the next layer. A cash balance plan can substantially increase tax-deductible retirement contributions. With that power come meaningful commitments, including a multi-year funding obligation, actuarially required contributions regardless of a given year's profit, and added cost for staff.

A cash balance plan is a defined benefit structure layered on top of the 401(k), and it creates a defined, stated benefit credited under a set formula that functions, for contribution purposes, like a separate pre-funded pension account for each participant. The benefit depends on the plan being funded as required and on the practice's continued ability to fund it. Contributions are actuarially determined based on age, compensation, and the plan's benefit formula, and because there are fewer years to fund the benefit as you get older, contribution capacity scales up with age.

When cash balance fits

- Your 401(k) is already optimized with Safe Harbor and profit sharing
- You are contributing the full $72,000 combined limit every year (under 50)
- Your practice generates excess cash in the range of $100,000 to $250,000 annually that you need to shelter from taxes
- Staff payroll and ages make the required employer contribution feasible
- You are prepared for a minimum three-year commitment, but ideally up to 10 years, since cash balance plans are not designed to be started and stopped

Cash balance fits specific owners at a specific income and life stage, and it requires coordination between your advisor, TPA, and CPA. It is not right for every practice. Whether cash balance fits your situation should be evaluated with your legal, tax, and retirement plan advisors.

Dr. John, an illustrative layered design for 2026

Dr. John is the owner of a single-doctor practice and turns 50 this year. His W-2 is set at $360,000. He has 5 eligible staff (averaging about $36,000 in compensation) plus 4 in the waiting period. He has been maxing his 401(k) for years and is now in his peak earnings stretch, generating more income than the 401(k) alone can shelter.

Here is what the layered plan looks like for him in 2026.

STAGE 05 THE MATH

How the Layered Plan Reaches $259,753

Five contribution layers stack for Dr. John in 2026, most of it in the cash balance plan. The practice deducts the full $244,340 of employer contributions, and the combined personal and practice tax savings come to roughly $102,500.

ANNUAL CONTRIBUTIONS, 2026

	Dr. John (Owner dentist, age 50+) $259,753	5 Eligible Staff (Combined) $21,257
Employee Deferral	$24,500	$4,171
Catch-up (age 50+)	$8,000	$0
Safe Harbor (3%)	$0	$5,476
Profit Sharing	$22,750	$6,134
Cash Balance	**$204,503**	**$5,476**

TOTAL EMPLOYER PLAN COST, FULLY DEDUCTIBLE TO THE PRACTICE **$244,340**

ESTIMATED TOTAL TAX SAVINGS AT 37%
Personal plus practice. About 92% of the contributions flow to the owner.
approx. $102,500

Illustration prepared by The Benefit Practice, dated April 2026, anonymized for confidentiality. These results are hypothetical and final 2026 amounts will be determined based on the final 2026 plan valuation.

Dr. John shelters $259,753 in retirement assets in 2026 inside an asset-protected vehicle. About 92% of the total plan benefits flow to him as the owner. The practice deducts the full $244,340 in employer contributions, and once the personal tax savings on his deferral and catch-up are layered on, the combined savings come to roughly $102,500.

Note: under SECURE 2.0, catch-up contributions for participants whose prior-year FICA wages exceeded $145,000 (indexed) must be made on a Roth basis for tax years beginning after December 31, 2026, generally 2027. Dr. John's $8,000 catch-up would fall under this rule and be made on a Roth basis. Coordinate with your plan administrator and CPA on how this affects the plan's recordkeeping setup.

What the right advisor does at this stage - The advisor coordinates the design with the TPA, with the TPA running the combined nondiscrimination testing across the 401(k) and the cash balance plan. The advisor then confirms the funding commitment with your CPA against expected practice cash flow, ensuring it all aligns with the goals of your personal financial plan.

Outcome - For the right owner at the right stage, and where the practice can commit to the multi-year, actuarially required funding, a layered design can shelter well over $250,000 annually, far above the standalone 401(k) limit, while creating meaningful tax savings.

Running the Plan So You Do Not Have To

Once the design is right, the operational layer is what determines whether the plan feels quiet or chaotic, and two pieces matter most.

A modern recordkeeper - Digital, guided enrollment for new hires, required participant notices delivered electronically and on schedule, eligibility tracking handled by the system, termination and distribution workflows handled inside the platform, and real-time compliance dashboards for the sponsor and the advisor.

360 payroll integration - Two-way data flow between payroll and the recordkeeper. Contributions move from payroll to the recordkeeper automatically, deferral changes move from the participant portal back to payroll automatically, and nobody on your team is updating contribution percentages by hand.

When both are in place, the plan runs quietly. New hires self-enroll on their phones in minutes, required notices go out automatically, deferrals deposit within a few business days of every pay period without anyone confirming, and eligibility events fire on time. When either is missing, the practice ends up doing the work the system should be doing, and that is where missed deferrals, late deposits, and compliance corrections come from.

YOUR COORDINATED TEAM

One Advisor Runs the Lane

A 401(k) plan involves a recordkeeper, TPA, payroll provider, and CPA. Without coordination, the owner ends up brokering between them. Your advisor handles that hand-off instead.

CONDUCTOR

Virtus Financial Partners

Coordinates every lane. Owns the resolution when something breaks.

YOUR ADVISOR

Recordkeeper	Platform, statements, notices, compliance testing.	OPERATIONS LANE
TPA	Plan document, 5500 filing, profit sharing modeling.	COMPLIANCE LANE
Payroll Provider	360 integration, automatic contributions every pay cycle.	CASH-FLOW LANE
Your CPA	Tax strategy, practice deductions, year-end planning.	TAX LANE

FIGURE NOTE. *Four lanes. One conductor. The plan runs in the background.*

What the right advisor does at this stage - Coordinate the recordkeeper, the TPA, the payroll provider, and your CPA so the plan runs in the background, and own the resolution when something does break.

You run your practice. The advisor runs the team that runs the plan.

The Plan Review - Your Starting Point Regardless of Stage

Every dental practice owner we work with starts the same way, with a complimentary plan review. The review is the deliverable. It is a structured way to see what your specific plan is doing.

What we analyze

Fee analysis - We request your 408(b)(2) fee disclosure and break every layer apart, including fund expense ratios, revenue sharing, recordkeeping, TPA (if applicable), and advisor fee. Each layer gets benchmarked against what a practice of your size and asset level should be paying.

Investment review - We evaluate every fund in your current lineup for performance versus benchmark, expense ratio versus alternatives, and whether the menu provides adequate diversification, identifying funds that may be candidates for replacement with lower-cost or more suitable alternatives.

Plan design assessment - Plan design is where the biggest opportunity usually sits. We model your current plan structure against what is possible given your practice income, employee demographics, and tax goals, and we show you the specific contribution and tax savings differential between what you have now and what an optimized design could produce, based on modeled assumptions for your practice.

Compliance check - We review your most recent Form 5500, plan document, and compliance testing results to confirm everything is in order, and we flag operational issues like late deposits, missed eligibility events, or stale plan amendments. Compliance corrections are not a small line item if they have to be filed under a voluntary correction program.

What you receive

A written report covering current total costs versus projected costs under an optimized structure, current owner contributions versus what is possible with an optimized design, estimated annual tax savings, specific recommendations with implementation steps, and a timeline.

WHAT TO EXPECT

Implementation Timeline

If you decide to move forward, the next six months looks like this.

01

DAYS 0–30

Discovery & Design

- Plan document drafted
- Recordkeeper, TPA, and payroll setup confirmed
- SDBA election if applicable
- CPA loop

02

DAYS 30–90

Implementation

- Plan effective date
- Auto-enrollment configuration
- Payroll integration tested
- First contributions process
- Employee communication and education

03

DAYS 90–180

Operational Shakedown

- First participant statements
- First profit sharing model run
- Adjustments before year-end

What the review puts in writing

The deliverable is a written report covering fees, design, investments, and compliance, broken out layer by layer. By the end you can see what your plan costs, what it is designed to do, what it is invested in, and whether it is operating cleanly.

If you do decide to engage Virtus to run the plan, our advisor fee is 0.75% on plan assets under $1 million, 0.50% from $1 million to $3 million, and negotiable above $3 million. That number is on the table from the first conversation, and it shows up alongside every other layer in the review so you can compare apples to apples.

The Bridge to Personal Planning

The 401(k) is the entry point to the broader financial plan.

When we design and run your practice's retirement plan, you see the results in your own numbers, which can include lower fees, a revised investment lineup, and a design built for tax savings. From there, the conversation extends to your full financial picture.

HOW IT LAYERS

One Plan, Built in Chapters

The 401(k) is one piece of a larger financial plan. Running through the full picture is what reveals whether a fully designed profit-sharing structure (and the rungs above it) actually delivers value for your situation.

01 FOUNDATION

Plan Design

Safe Harbor plus profit sharing, structured so owner contributions push to the annual plan contribution limit without an outsize staff bill.

→ *Stage 03 of the journey*

02 COORDINATION

SDBA

Open the investment window inside the plan. Coordinate plan holdings with your personal accounts so asset location is run across one balance sheet, not three.

→ *Stage 04 of the journey*

03 LAYER UP

Cash Balance

When the 401(k) is fully maxed and the practice still has income to shelter, a cash balance plan stacks on top to defer another six figures per year.

→ *Stage 05 of the journey*

04 WHOLE PICTURE

Comprehensive Planning

The 401(k) becomes one component inside a coordinated plan covering tax, investment, estate, insurance, and lending, all running off the same playbook.

→ *Personal-side coordination*

What it looks like when we run your numbers

A good financial plan lets you live the life you want today without worrying about whether the future is handled. That is the lens we use when we build yours.

Once the optimized 401(k) is in place, we sit down with you in eMoney and walk through your full picture. The plan runs three engines at the same time.

Engine 1 - Profit sharing inside the 401(k) - The tax-deductible base layer. Properly designed, this can run up to $72,000 a year for an owner under 50 in 2026. That is the workhorse, and most of it stays inside the plan compounding for decades.

Engine 2 - Cash balance, when the income supports it - The second layer, typically starting in your 40s and scaling up with age. For an owner at 50 generating significant income beyond the 401(k) limit, a layered design can move the combined annual contribution well into the six figures, depending on the actuarial design.

Engine 3 - The practice itself - Most dental practice owners are building an asset that can grow through their career and become a significant source of value at sale, whether to a partner, an associate, or a DSO. We model what that sale could look like based on your current practice metrics, a reasonable annual growth rate, and the multiples the dental market is currently transacting at. The number moves with market conditions, and any projection should be evaluated with your legal, tax, and financial advisors.

Looking at the three engines together usually reveals the same picture. The everyday savings layer gets systematized, every year, on autopilot. The practice keeps growing in the background. The sale, whenever it happens, lands on top of decades of plan contributions that were already compounding.

What is left of your monthly income after the savings layer is funded is yours to spend. The plan is built so the future is handled in the background.

One advisor coordinating everything

The 401(k) is where you see what one-advisor coordination looks like in practice. The personal plan brings the same model to the rest of your financial life.

YOUR PERSONAL SIDE

What We Run. Who We Coordinate.

The same firm running your 401(k) delivers four core services directly: financial planning, investment management, disability, and life. Your CPA, estate attorney, banker, and insurance brokers stay in their lanes. We pull the picture together.

IN-HOUSE

Delivered by Virtus

Run directly by our team so the plan is built, executed, and revisited under one roof.

Financial Planning

COORDINATING SERVICE

Goals, cash flow, retirement projections, and tax strategy that ties every other piece together.

Investment Management

Portfolio design and rebalancing across the 401(k) and your personal accounts.

Disability Insurance

Income protection structured around your specialty and the practice's economics.

Life Insurance

Coverage sized to your obligations and the years your family still depends on the income.

COORDINATED

Your Outside Partners

Specialists already in your life. We translate, hand off, and keep them rowing in the same direction.

CPA

Tax planning and return prep across the business and your household.

Estate Attorney

Trusts, wills, beneficiaries, and powers of attorney, drafted to fit how your assets are actually held.

Banker / Lender

Practice debt, mortgage, and lines of credit, financing that serves the long plan.

Property & Liability

Umbrella, malpractice, property, and business policies, the coverage outside our shelf.

FIGURE NOTE. *Four services we deliver. Four partners we orchestrate. One plan that holds together.*

The CPA, the estate attorney, the insurance professional, the investment side, the banker. They were always in your life. What changes is that one advisor coordinates them around a single financial plan that updates as your practice and your family do.

What layers on after the 401(k) work

Once the practice plan is optimized, the conversation extends into the rest of the financial life. With an ongoing meeting cadence, we plan and coordinate around the areas below.

- Investment management across all accounts, coordinated for asset location across taxable, Roth, IRA, and your spouse's accounts.
- Insurance review covering term life, disability, umbrella, and long-term care, sized to your actual cash flow and obligations.
- Estate planning refreshed every few years (trusts, beneficiaries, powers of attorney), coordinated with your attorney.
- College savings strategy (529s) and a gifting plan that uses the annual exclusion well.
- Practice succession and DSO sale planning, including pre-sale tax positioning.
- Charitable giving structure (donor-advised funds, qualified charitable distributions at 70½).
- Retirement income and tax-aware withdrawal sequencing once you stop accumulating and start drawing.

Five years in, here is what an engaged plan can look like.

The 401(k) balance has grown into the largest account in the household. The cash balance plan, where it fits, has been funded annually. Asset location is coordinated across every account in the household, with each one holding what fits its tax treatment. The practice is collecting more than it did at the start, with valuation moving accordingly.

The eMoney projection shows retirement on track, 529s funded, life and disability sized to actual obligations, and the estate plan refreshed at the last major practice change.

Year-end CPA coordination, recordkeeper compliance follow-ups, automated rebalancing, insurance reviews, and the stitching together of what different professionals are recommending all flow through one advisor.

This is how we work with every dental practice owner we serve. The 401(k) is the entry point because it delivers measurable value, and personal planning extends from there.

The Plan Review Checklist

These are the items we work through in every complimentary plan review. Use them to read your own 401(k) before we meet, or skim the list to see what a review covers.

Fees

- ☐ Total all-in cost across every layer, including fund expense ratios, revenue sharing, recordkeeping, TPA, and advisor fee.
- ☐ The 408(b)(2) fee disclosure in writing, broken out layer by layer.
- ☐ Whether the recordkeeper charges on a flat-fee or asset-based structure, and which is the better fit for the plan's size and growth trajectory.

Plan Design

- ☐ Whether the plan is a Safe Harbor 401(k), and if not, how it performed on the most recent ADP and ACP nondiscrimination tests.
- ☐ How the profit sharing allocation is designed and whether it weights contributions toward the owner or allocates pro-rata.
- ☐ The maximum shelter the current design produces at the owner's income and practice demographics.

Investments

- ☐ Whether the plan offers a Self-Directed Brokerage Account option.
- ☐ Whether the plan's advisor is also coordinating investment strategy across the owner's taxable accounts and IRAs.
- ☐ The weighted average expense ratio across the fund menu.

Operations

- ☐ Whether payroll integration is 180 or 360, and the late deposit history over the last 24 months.
- ☐ The named fiduciary on the plan, and whether the advisor is acting as a 3(38) investment manager.

If six or more of these items are unclear on the current plan, the review is the place to start.

What This Means for Your Practice

The 401(k) is more than a benefit on paper, it is a small operational machine that runs every pay period, every quarter, and every plan year. Built and coordinated correctly, it quietly compounds into one of the largest accounts in your household, can generate tax savings that offset part or all of the staff cost depending on your income and demographics, and becomes the foundation of your full financial plan. Built poorly, it costs you money you do not see, caps you at a fraction of what you can shelter, and adds operational work to a practice that does not need more.

The review is how you find out which one you have.

Get Your Complimentary Plan Review

A 30-minute review of your current plan, followed by a written report covering fees, design, investments, and compliance.

Request a Plan Review

Glossary

Term	Definition
408(b)(2) disclosure	Required document showing what every service provider is paid by the plan
404(a)(5) disclosure	Required document showing what fees are charged to participant accounts
3(38) investment manager	Advisor with discretionary authority and ERISA fiduciary liability for investment decisions
3(21) investment advisor	Non-discretionary advisor who recommends investments. The plan sponsor retains liability.
ADP test	Annual nondiscrimination test comparing owner deferrals to staff deferrals
EACA	Eligible Automatic Contribution Arrangement, the SECURE 2.0 auto-enrollment standard for new plans
Form 5500	Annual government filing for retirement plans
PCRA	Schwab Personal Choice Retirement Account, the brokerage window inside the 401(k)
Profit sharing	Discretionary employer contribution made on top of Safe Harbor, designed to maximize owner contributions while keeping the plan compliant
Safe Harbor 401(k)	A 401(k) with a built-in employer contribution that bypasses nondiscrimination testing
SDBA	Self-Directed Brokerage Account, the brokerage window inside a 401(k)
TPA	Third-Party Administrator. Designs the plan, runs compliance, files the 5500.

Sources and References

1. Internal Revenue Service, Notice 2025-67, 2026 Cost-of-Living Adjustments for Qualified Retirement Plans (November 13, 2025).

2. Internal Revenue Service, 401(k) and Profit-Sharing Plan Contribution Limits.

3. Internal Revenue Code §§401(k), 401(a)(17), 415(b), 415(c), 402(g), 414(v).

4. ERISA §§206(d), 404(a), 404(c), 405(d)(1), 408(b)(2).

5. SECURE 2.0 Act of 2022, Public Law 117-328.

6. U.S. Department of Labor, Employee Benefits Security Administration, Understanding Retirement Plan Fees and Expenses.

7. U.S. Department of Labor, Field Assistance Bulletin 2012-02R, Brokerage Windows in Self-Directed Retirement Plans.

8. Schwab Personal Choice Retirement Account (PCRA) program documentation.

Disclosures

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The examples, scenarios, and dollar figures presented in this guide are for illustrative purposes only and do not represent actual client results. Individual results will vary based on specific circumstances including income, plan size, employee demographics, age, and applicable tax rates. The dollar examples in this guide assume a 37% combined marginal tax rate. Contribution limits referenced are for the 2026 tax year as announced by the IRS in Notice 2025-67 (November 13, 2025) and are subject to annual adjustment. These limits are indexed annually and may be adjusted in future years.