



Are there tax savings in offering a company retirement plan?

Setting up an employee retirement plan can be a sound way to provide for one of your key assets – your people – as well as benefitting you and your business.

A quality retirement plan can:

- Help attract and retain valuable employees
- Potentially reduce your company's tax burden
- Allow you to invest money in your own retirement

Provide for your employees

As a business owner, you take care of your employees through salary, medical care options and paid vacation time. So, why not offer a retirement plan that will help them now and in their retirement years?

You also may find that a retirement plan is an excellent tool for attracting and keeping valuable employees, as well as helping them attain a more financially sound future.

Trim your tax bill

Establishing an employee retirement plan may offer tax benefits because:

- Employer contributions to retirement plans (and often plan expenses) are generally tax-deductible.
- Your business may be eligible for a tax credit for establishing a qualified retirement plan.

Invest in your own retirement

You can invest money for your own retirement in the plan you set up for your employees. A retirement plan may have these benefits for you and your employees:

- Potential growth of your investment earnings that's tax-deferred until you take a withdrawal or distribution
- Reduction of your income tax bill – now or in the future (when retirement funds are withdrawn)
- Company matching of a portion of your contribution

As a business owner (even if you're self-employed), you can usually invest more through a business retirement plan than through an IRA. Assets withdrawn from a qualified plan may be subject to a 10% penalty tax if withdrawn prior to age 59½ and all may be subject to income tax. Keep in mind that investing involves risk, so there's no guarantee you'll reach your investment goals.

Choose a plan that suits your business

There are many types of retirement plans – 401k, 403b, IRAs, profit-sharing and defined-benefit (or pension) plans. Each has its own benefits, features, levels of complexity and administrative costs. Some are designed for large companies; others, for smaller enterprises. There may be tax implications, as well.

Contact one of our Advisors to explore your options in offering a Company Sponsored Retirement Plan.

ALLEGIS RETIREMENT

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“Creating Retirement Strategies for the Small Business”

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