

# STRATEGIES FOR Success

## BUSINESSES OFTEN LACK BASIC INFORMATION ON RETIREMENT PLANS

*Got a retirement plan?*

*Follow these simple steps to setting one up – it's probably less costly and easier than you think.*

A growing number of small businesses are missing out on the tax and business advantages of retirement plans simply because they don't know the basics or what options are available to them.

Many small businesses mistakenly think setting up a retirement plan is too complex or too costly to set up, so they put it on hold. Small businesses have to realize that in today's economy, a retirement plan could be the *least* expensive benefit a small business can offer. It offers many benefits to the business and is extremely important to the future security of employees.

So what should you as a small business owner do to learn about your retirement plan options and their related tax benefits?

1. **First, you should consider why you should have a plan.** Some of the key reasons are:
  - As part of your total employee benefit package, a retirement plan is an important tool to attract and retain qualified employees.
  - Retirement plans offer tax advantages for both you and your employees. Small businesses can receive tax credits of up to 50 percent for three years with a maximum credit of \$500 for each year to offset start-up costs.
2. **Next, you should look into some of the options that are available to you.** These would be to:
  - Identify the type of plan that best matches your small business needs. Most small businesses will find that they can offer the Simple-IRAs, the Simplified Employee Pension (SEP), or a 401(k).
  - Investigate balanced retirement plan choices that represent realistic investment strategies.

Remember, a retirement plan is a funding vehicle for your employees' savings, so it must be based on your employee's individual risk tolerances.

3. **You'll need to find a qualified professional to help you.** You should:
  - Entrust a qualified professional—such as one who is already doing your taxes and accounting work—to help select and manage the retirement plan.
  - Work only with an expert that will get to know your business and your employees so he or she can tailor a program that fits your unique requirements.
  - See that your professional helps you establish a retirement plan prior to year-end so it coincides with traditional January open enrollment windows for employees.
4. **Finally, you need to know what is expected of you once you have a plan.** You should:
  - Anticipate paying some fees to start up a new plan. Depending on the type of retirement plan that is suitable for your business, the fee range can be anywhere from \$50 to a few thousand dollars.
  - Understand and meet fiduciary obligations, including making plan investments at specified times and providing plan information and specifics of eligibility to all employees at their time of hire and their date of plan eligibility.

**There are many items to consider as you begin a business. Consult with your Fiducial professional for assistance and information on starting a retirement plan for your small business today.**

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