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# Choosing the Right Retirement Plan



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# Why Offer a Retirement Plan?

- Help employees save for a more secure future
- Attract and retain quality employees
- Tax savings for employees & employer
- Help secure your own retirement



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# Who Can Start a Retirement Plan

- There's a plan for every type of business
  - Sole proprietor
  - Partnerships
  - C Corporation
  - S Corporation
  - LLC & LLP



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# IRA-based Plans

- Payroll Deduction IRA
- SEP IRA
- SIMPLE IRA



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# IRA-based Plans

- Filing requirements
- Type/size of employer who might choose an IRA-based plan
- Pros and cons
- Common mistakes



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# Profit-sharing Plans

- Must cover all employees age 21 and who work 1,000 hours
- Contributions are discretionary each year
- Allocated by formula set in plan
- Profits not required



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# Profit-sharing Plans

- Filing requirements
- Type/size of employer who might choose a profit-sharing plan
- Pros and cons
- Common mistakes



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# 401(k) Plans

- Must cover all employees age 21 and over who work 1,000 hours
- Employees defer a portion of salary
- Deferrals can be pre-tax or Roth
- Employer contributions and match





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# 401(k) Plans

- ADP/ACP testing
- Safe Harbor 401(k) Plan
- Automatic Enrollment 401(k) Plan
- Roth 401(k) feature



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# 401(k) Plans

- Filing requirements
- Type/size of employer who might choose a 401(k) plan
- Pros and cons
- Common mistakes



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# Defined Benefit Plans

- Gives you a definite benefit (monthly income) at retirement
- Has yearly funding requirement set by an actuary
- Must cover all employees age 21 and over who work at least 1,000 hours



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# Defined Benefit Plans

- Filing requirements
- Type/size/age of employer who might choose a defined benefit plan
- Pros and cons
- Common mistakes



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# Didn't Get it Right?

- Use IRS correction program to fix:
  - Missed contributions
  - Omitted employees
  - Skipped plan amendments
- Some mistakes corrected without IRS contact





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# Questions and Resources

- [www.irs.gov/retirement](http://www.irs.gov/retirement)
- [RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov)
- 877-829-5500
- Newsletters
- Extra! Extra! Hear The Latest Retirement News and Hot Topics!