

Think Your Business Can't Offer A 401(k) Plan. . . Think Again!

Many small businesses are under the misconception that they cannot offer a qualified retirement plan such as a 401(k). Some think they have to be incorporated while others simply feel they're too small, the costs would be prohibitive, or there is way too much paperwork.

The fact is nothing could be further from the truth. Today, technology has permitted pension providers the ability to design programs for companies large and small. Whether your company consists of one person (you) or has 500 employees a qualified retirement plan is within your grasp. It is irrelevant what business form you operate; sole proprietorship, partnership, Sub-S Corporation, C-Corporation, or LLC, all are entitled to establish a pension, profit sharing, or 401(k) program.

Technology has also helped to significantly reduce costs associated to establish and operate these plans. Administrative paperwork has been streamlined so that most Department of Labor, ERISA, and IRS forms are completed by your plan administrator and sent to you for your signature.

Qualified retirement programs are one of the best ways to bonus yourself and your employee's additional dollars without paying current income tax on the money. The tax is deferred until a later date when you decide to draw on the money for retirement. Often, when you're in a lower tax bracket after retirement.

If you've been in a holding pattern until you thought your company was large enough to offer a retirement plan, think again. Saving for retirement requires discipline and a 401(k) plan is one of the easiest and simplest ways for you and your employees to set aside "pre-tax" dollars for the future. Watch how fast the money grows as you position yourself for a more comfortable lifestyle.

Mr. Shaffer, president of Executive Benefit Plans, Inc, is a pension specialist with Transamerica Asset Management with over twenty year's experience in the industry. You may contact him at 1-800-622-2411.