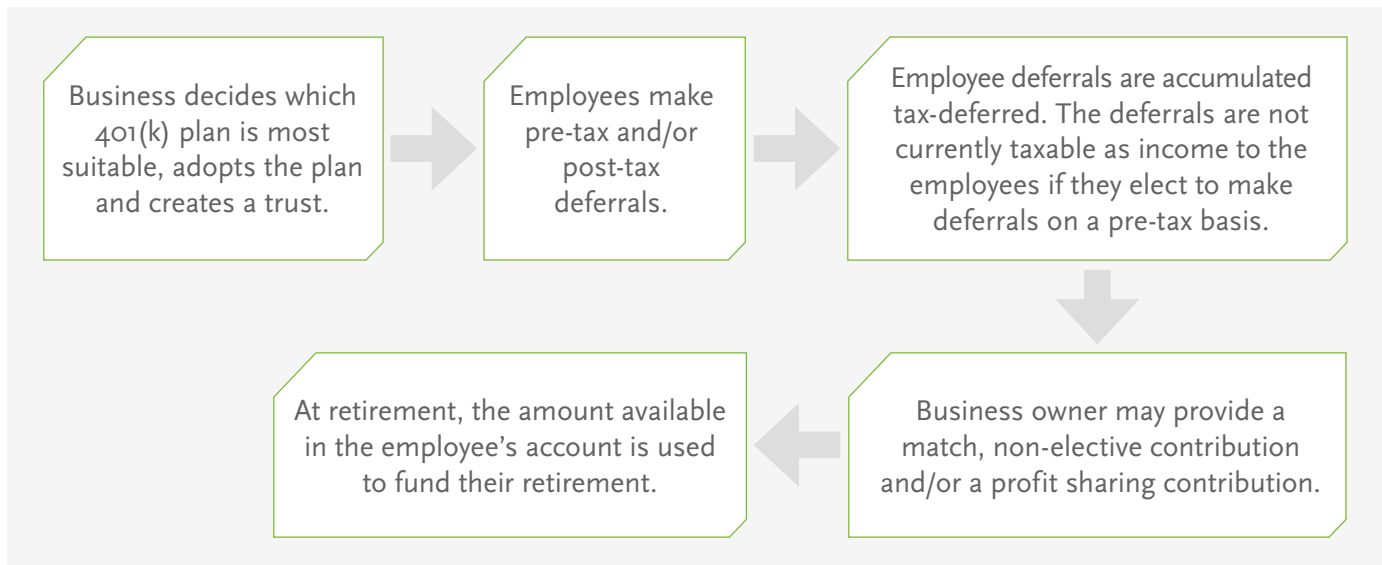


## 401(k) Plans

With many 401(k) options available, you can create a plan that favors you and still provides the benefits you want to offer your employees.

The benefit of allowing employees to save for their retirement



### The advantages of this strategy:

- A 401(k) plan allows employees to save money for their retirement.
- Employees have flexibility to change deferrals.
- You can provide employees with an employer matching, non-elective, and/or profit sharing contribution.
- You can have full discretion in selecting investments.
- There are various 401(k) plan options to help you maximize your 401(k) deferrals.
- The contributions you make on behalf of employees can be paid for with dollars that may have otherwise been paid in taxes.
- Plan assets are protected from creditors.

# If you're looking for a way to attract and retain employees, but also benefit your future retirement in a tax-efficient way...

## **A 401(k) plan may be the solution.**

Which 401(k) plan is best for your business:

- Traditional 401(k) does not require you to make a matching contribution, but it could limit how much you can defer
- A Safe Harbor 401(k) does require you to make a matching or non-elective contribution, but it will enable to defer the maximum allowed by law.
- With auto enrollment, employees are automatically enrolled and must elect not to participate if they do not want to defer. Auto enrollment can help increase the participation in the plan.
- Employee salary deferrals may be made pre-tax, post-tax, or a combination of both.
- Because 401(k) plans are defined contribution arrangements, they tend to favor younger participants, so the growth of relatively small annual contributions can compound over the years.
- Each participant's ultimate retirement benefit is the total value of their account upon retirement.

## **A 401(k) plan may be funded with permanent life insurance. Why include life insurance?**

- Can complete retirement funding in the event of premature death. Beneficiary receives the death benefit along with the value of the account.
- Premiums are paid with tax-deductible dollars
- Provides an added employee benefit at no additional employer cost.
- Frees up personal dollars that would be used to purchase insurance outside the plan.
- Policy is portable. At termination or retirement, insurance coverage can be continued, eliminating need to convert costly group insurance.

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