

Big Advantages for Small Business Owners

For Corporations or Private Companies with fewer than 25 employees

A 401(k) plan with administrative and investment services from the Principal Financial Group® combines the administrative ease of the SIMPLE-IRA with the contribution flexibility of a 401(k) plan, allowing you and your employees to truly maximize retirement savings.



With a 401(k) Safe Harbor plan, your employees are 100% vested in your qualified contributions. You can either:

- **Basic:** Match 100% of the first 3% of compensation, plus 50% of the next 2% of compensation;
- OR
- **Non-elective:** Contribute 3% of compensation to all eligible employees.

How a 401(k) Safe Harbor Plan Benefits You and Your Employees

Your Advantages

You benefit because a 401(k) Safe Harbor plan:

- Reduces complicated nondiscrimination testing when you make only the required contribution.
- Is mostly funded from dollars paid as salary.
- Lets you deduct your contributions from taxes as a business expense.
- Helps recruit and keep quality employees.
- Helps members build retirement security.

Employee Advantages

Plan members' benefit because a 401(k) Safe Harbor plan allows them to:

- Save through easy payroll deduction.
- Choose the amount they want to save.
- Change the amount saved to meet current needs.
- Reduce their taxable income.
- Feel secure they own 100% of their own contributions.
- Defer taxes on the amount saved and its earnings until the plan pays benefits.

Contact me. I would be happy to answer any questions regarding the worth or effectiveness of your current insurance coverages. Victor Posod

The purpose of this newsletter is to provide information of general interest to our clients, potential clients and other professionals. The information provided is general in nature and should not be considered complete information on any product or concept described. This newsletter should not be used as a substitute for the professional advice of an attorney, accountant, or other qualified professionals.

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