

# Small Business Retirement Planning

This playbook provides a structured approach for small business owners to plan for retirement. It covers the considerations for selecting retirement accounts like SEP IRAs and SIMPLE IRAs, as well as the importance of succession planning to ensure a smooth transition.

## Step 1: **Assessment**

Evaluate your current financial situation and retirement goals. Consider factors such as your age, the size of your business, the number of employees, and your exit timeline.

## Step 2: **SEP IRA Setup**

If a SEP IRA is suitable, research providers and set up a SEP IRA account. Decide on the contribution limit, which can be up to 25% of compensation or a maximum set annually by the IRS.

## Step 3: **SIMPLE IRA Setup**

For businesses with 100 or fewer employees, establishing a SIMPLE IRA may be a better option. Set up a SIMPLE IRA plan by selecting a financial institution and creating a plan document.

## Step 4: **Contribution Plans**

Determine your annual contribution amounts based on the selected plan's limits and your financial goals. Set up a schedule for regular contributions.

## Step 5: **Tax Considerations**

Consult with a tax professional to understand the tax benefits and obligations of your chosen retirement plan, and plan accordingly for deductions and filings.

## Step 6: **Succession Planning**

Develop a succession plan for your business which outlines the transfer of ownership and management. Identify potential successors and establish a training plan.

## Step 7: **Review Regularly**

Regularly review and adjust your retirement planning strategies to account for changes in your financial situation, business growth, tax laws, and retirement goals.

# **General Notes**

## **Advisor Consultation**

It's advisable to consult with financial and legal advisors that specialize in retirement planning for small business owners to ensure you're making informed decisions.

## **Employee Communication**

If your retirement plan involves employee participation, make sure to communicate the benefits and details of the plan clearly and provide educational resources.