

***** RETIREMENT PLANNING OPPORTUNITIES *****

MAXIMIZE YOUR 401(K)

Have you taken advantage of the current surge of pension plan options now sanctioned by the IRS to help improve business retirement programs?

Of particular interest to many business owners are some newer choices available to make a retirement plan more attractive to the principal employees. Through the use of such techniques as cross-testing, safe-harbor design, and automatic enrollment, key employees may now enjoy a larger retirement benefit.

Cross-testing, sometimes referred to as new comparability, refers to the way in which the employer's contribution is allocated. It is suitable for pension, profit sharing, and particularly **401(k)** plans. Cross-testing may have a substantial impact on the allocation of the company contribution! The greater the age disparity between the key employees and the other workers, the more advantageous cross-testing becomes. And even a modest age difference can produce significant results.

Once all the options are known, employers will realize that they cannot afford to not offer a solid retirement program for their valuable employees. When the cost of providing a benefit is less than the cost of retaining earnings and therefore paying taxes, the decision becomes an easy one.

Please contact Sunburst today so that we can discuss how to make these opportunities work for you!