

THE STATE OF STATE-SPONSORED RETIREMENT PLANS

Several states have implemented, or are in the process of implementing, mandatory retirement programs. In these states, this means if an employer of a certain size doesn't offer a retirement plan, they must enroll in the state's program. While these programs can help Americans save for retirement, they might not be the best option. Let's take a look at why.

SPONSORING A PLAN: OFTEN THE BETTER CHOICE

By establishing your own retirement plan, you gain the following benefits:



Flexibility to meet unique goals

Customized plan design allows you to save more, avoid stressful compliance testing, and reward key employees. By sponsoring your own plan, you can choose the best option for you, control investments, and make changes to your plan as you see fit.



Greater tax benefits

Most state programs don't allow employer contributions, meaning you miss out on the tax deductions possible by contributing to employees' retirement funds. Additionally, Roth IRA income limitations prohibit many employers and key employees from contributing at all. A qualified retirement plan allows you to contribute to both (yours and your employees' retirement funds), gaining the tax benefits of both.



Employee retention and recruiting

According to a Glassdoor survey, 4 out of 5 employees would prefer new or added benefits over a raise. By providing employer contributions (not allowed in state-sponsored programs), you can create a valuable incentive for employees and potential new talent.



Increased saving opportunities

Retirement plan contribution limits set by the IRS allow for significantly more savings potential with qualified retirement plans. These options are only available when established by the employer, not through state-sponsored plan options.

CONTACT US TO LEARN MORE! WE'RE HERE TO HELP.

Now is a great time to look at setting up your own retirement plans. At EGPS, we specialize in finding the perfect retirement plan solution for our clients. We're available and ready to guide you to the best option that fits your organization's needs.

