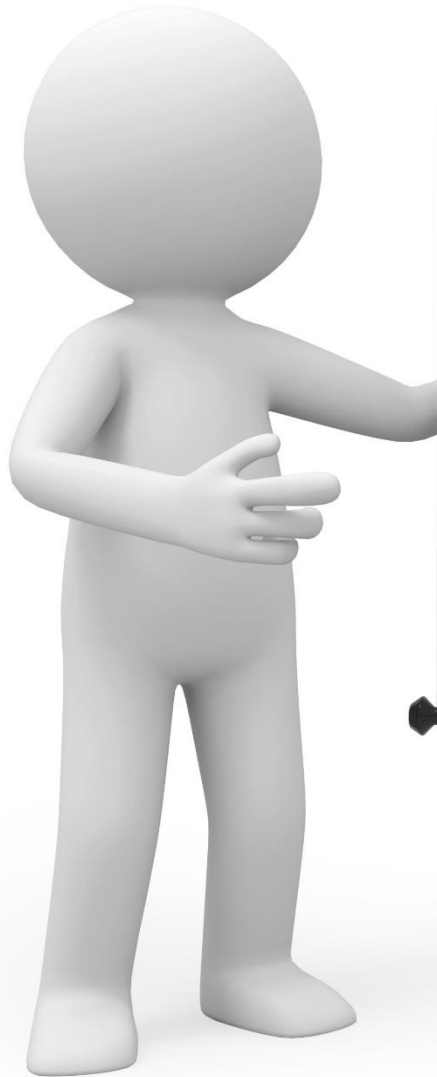


Small Business Owners Can Retire Too:

When is the right time to plan for retirement?





- How much will I need to strive for before I retire?
- What are your plans for your “golden years?”
- Opening retirement accounts to start moving towards those goals
- Getting more information

No magic retirement formula





When you retire:

- How old do you think you will be?
- What lifestyle do you envision?
- Will you work part time?
- How long do you think you will need to survive on that income?

You may want to:

- Travel the world
- Take up a craft or hobby
- Spend more time with family





Depending on your anticipated financial need or plans, you may require as much as 90% (*or more*) of your annual income!

Do I need that money sitting in an account somewhere?

GOOD NEWS

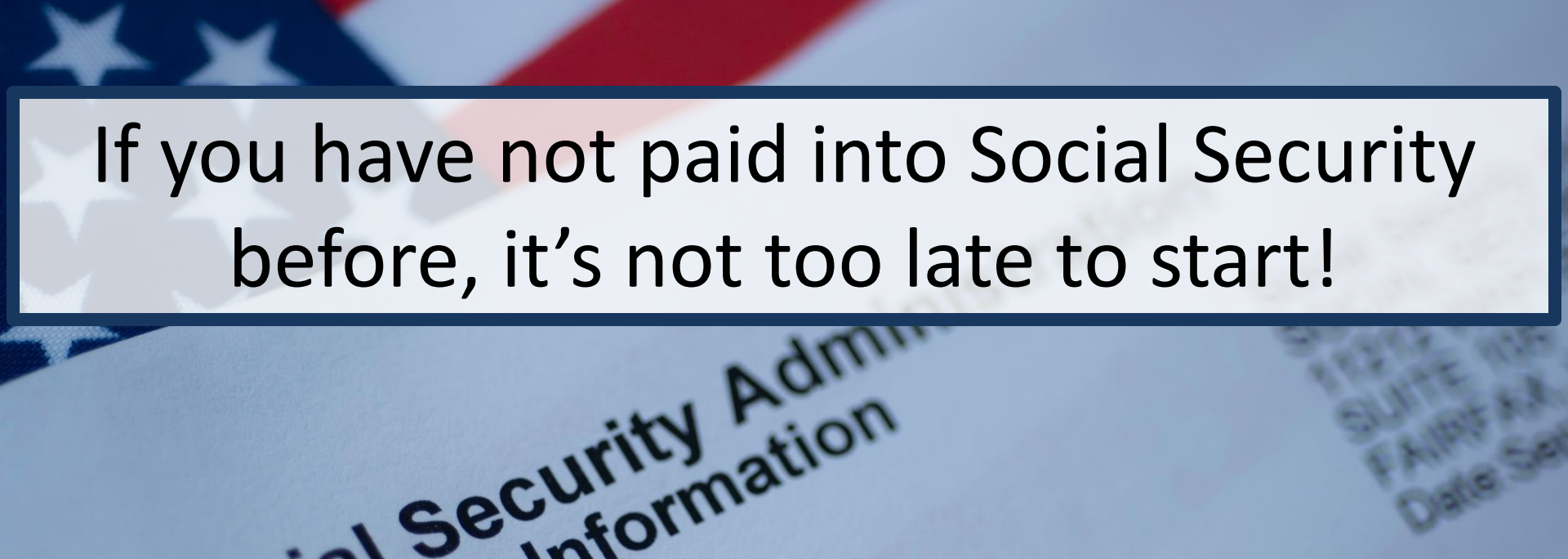
You do not! You just need to know what income you can count on coming in regularly



Individual
Retirement
Account

Income





If you have not paid into Social Security before, it's not too late to start!

Report your earnings to the IRS by completing the following:

- Form 1040 (Individual Income Tax Return)
- Schedule C (Profit or Loss from Business) or F (Profit or Loss from Farming)
- Schedule SE (Self-Employment Tax)

<https://www.ssa.gov/pubs/EN-05-10022.pdf>

IRA

Roth

Traditional



- You may choose the investment type(s)
- Deposits could be tax-deductible
- Max deposit \$6,000 for 2022 plus \$1,000 if you are *over 50 (catch-up)*
- Earnings grow tax-deferred

IRA

Traditional

Roth

- You may choose the investment type(s)
- Deposits are after-tax
- Max deposit same as traditional
- Withdrawals & earnings are tax-free
- No penalty early withdrawal of contributions

Employer Sponsored *IRAs*?

SIMPLE -

Savings ***I***ncentive ***M***atch ***P***lan for ***E***mployees

- *Employer makes contributions – either by up to 3% match or 2% if employee does not*
- *Contribute up to \$13,500/year (+\$3,000 catch-up)*
- *Employer contribution is tax-deductible*



***SEP** IRA – **S**implified **E**mployee **P**ension*

- For small business owners and employees
- Employer makes contributions
- Contributions tax-deductible to business
- Higher limits: 2021 – 25% of employees' compensation or \$58,000*



* Business owners must contribute the same % to the employees as they do for themselves



Payroll Deduction IRA

- For small business owners – offers a low-cost option with no filing requirements
- Employees make all contributions
- Employer facilitates payroll deductions
- Contribution limits are the same as traditional (\$6,000 & \$7,000 for over 50)

Spousal IRAs

(Traditional or Roth)

- For married couples when one spouse is not working
- Identical benefits as other IRAs covered
- Allows non-earning spouse to save in their own name





Catch-up

After you turn 50, the accounts mentioned today have some allowance for “catching up” on your retirement savings.

Emergencies

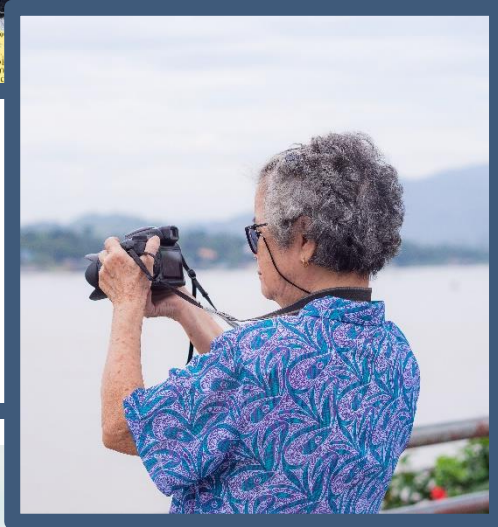
- You may want to avoid using your retirement accounts for emergencies
- Know what the options are – as a last resort
- Be sure to understand any fees and penalties you may be charged





Expenses





If you plan to travel or take up costly hobbies, do not forget to calculate that into your annual expenses.



If you have little or no debt, do not need health care coverage, and plan to cut expenses, 70% may be enough.



If you do not expect your lifestyle to change much, 80% could be your magic number.



If you have more debt, need health care coverage, and plan to travel or “live it up,” you may need 90% or more.



Retirement calculators

www.Kiplinger.com

or find another reliable online calculator

Hire a professional to help you understand where you are and help you reach your goals

**WHAT
ARE YOUR
GOALS?**

WHAT DO YOU NEED?

Write a list of what you are looking for in a professional. Consider the following:

- Your age
- Current financial circumstances
- Goals
- How involved you want to be once you get started
- Will my professional be a fiduciary

Investment Advisor:

- A person or company that will give you investment advice
- They may or may not manage your financial assets
- They have a fiduciary duty

Broker Dealer/Broker:

- A person or company buys and sells securities
- “Middle-men” connect investors to investments
- They have a suitability obligation

Step 1

Shop “smart” – Ask friends, relatives, people you know and trust for referrals.

- Who do they use
- How long have they been investing with them
- Have they experienced anything that caused them to be concerned

Step 2

Verify that anyone under consideration is registered. Don't forget to verify the firm too!

- Check history – how many years have they been in business
- What exams have they passed
- How many states are they licensed in



INDIVIDUAL



FIRM

By clicking the **SEARCH** button or otherwise using BrokerCheck, I agree to **BrokerCheck Terms of Use**

Name or CRD#

at

Firm Name or CRD# (optional)

in

City, State or ZIP (optional)

SEARCH

BrokerCheck is a free tool to research the background and experience of financial brokers, advisers and firms.

Why Use BrokerCheck?



BrokerCheck helps you make informed choices about brokers and brokerage firms- and provides easy access to investment adviser information.



BrokerCheck tells you instantly whether a person or firm is registered, as required by law, to sell securities (stocks, bonds, mutual funds and more), offer investment advice or both.



BrokerCheck gives you a snapshot of a broker's employment history, regulatory actions, and investment-related licensing information, arbitrations and complaints.

Step 3

Interview professionals you are considering – be prepared with a list of questions for them

- What experience do you have with people like me
- Are you registered with the SEC, PA Department of Banking and Securities, or FINRA

Once you interview potential professionals compare them to one another – “apples to apples”

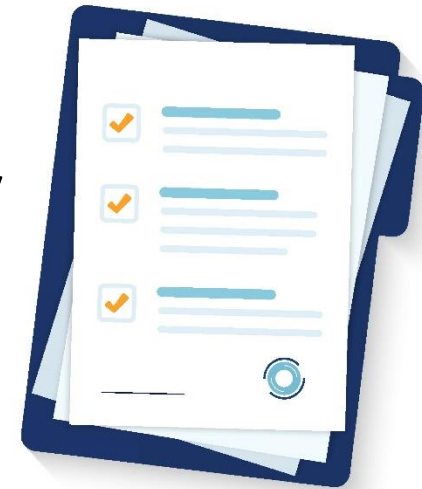
- information you have about fees and costs
- information found on Brokercheck
- answers to the questions you asked during the interview

Step 4

Form **CRS** – **Client/Customer Relationship Summary**

All registered broker-dealers and investment advisors are required to provide the CRS to all new customers. This form gives consumers information like:

- Types of services the firm offers
- Fees and costs you can expect to pay
- Any potential conflicts of interest



[Investor.gov/crs](https://investor.gov/crs)

Do your homework: Learn what you can about investing, know the risks and potential growth

- Find reputable sources like the ones we provide
- Read as many resources as you can to learn about different aspects of investing and financial planning

Step 5

Know the warning signs of fraud

- Quick, higher than average profits
- Guaranteed returns
- Pressure to send money immediately
- A professional asks to be executor of your estate

Step 6

Nobody likes to read all those disclosures, but it is important to do so. That is where all the details about your account fees, costs, terms and conditions are outlined.

If you don't understand, ask questions!



Review all statements and correspondence you receive from your professional.

- As soon as possible upon receipt
- Ask questions if there is anything that does not make sense
- If it still does not make sense, call a regulator (like the PA Department of Banking and Securities) and ask for help



Talk to your tax professional
about the tax
considerations for any of
the retirement accounts
discussed today



Resources

State

Banking and Securities:

www.dobs.pa.gov

Federal/Other

North American Securities
Administrators Association:

www.nasaa.org/investor-education

Securities and Exchange
Commission Consumer Page:

www.investor.gov

Kiplinger:

www.kiplinger.com

How much will you need to retire?
That answer is up to you, and the retired
lifestyle you envisioned for yourself...



Congratulations

Exploring how much you will need to retire is a great step to being prepared for this exciting chapter!

How To: Hire an Investment Professional



protect. regulate. inform.





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and Securities**

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Questions?