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ROUTE 422 BUSINESS ADVISOR

TechBldrs.com

Ask SCORE RETIREMENT **PLANNING FOR SMALL BUSINESS OWNERS**

Planning for retirement needs to be a priority for every small business owner. Here are three types of small business retirement plans that you can take advantage of to save for retirement that also provide tax advantages for your business.

It's easy and far too common for small business owners to focus so much of their time and energy on running their business that they fail to plan for their personal financial future. But, when you own a small business, there's no 401(k) employer match or other companysponsored retirement programs to join. Your retirement fund rests solely on your shoulders and failing to prioritize retirement over the other areas of your business will harm you down the road.

Ensuring that your financial well-being in the future is a part of ensuring the financial stability of your business.

2020 READING EAGLE

Think of your retirement plan as a part of your overall business strategy. Some retirement plans have more small business tax advantages than others. Start here by looking at plans that include one or more of these major tax advantages.

• Tax-deferred plans that grow your investment without taxes applied

• Employer contributions that can be deducted as business expenses

• Tax credits for expenses as you start and maintain the plan

There are three types of retirement plans that small business owners should consider that offer strong tax advantages and other benefits.

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To find out more, speak to Kritina McCoy via a live video chat at **RiverfrontFCU.org/Live or** call (484) 345-4171.

Delivering for Small Business.

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LinkTech, Inc. is a structured cabling system provider that designs, installs, and maintains cabling systems for all technologies and security systems/access control systems. We strive to provide reliable, high-performance data connectivity for our customers.

We appreciate the opportunity to participate in the bidding process and ask that we may be added to the bidders list. LinkTech is certified with PA D.G.S. as an MBE, ITQ, SPI and SDB.



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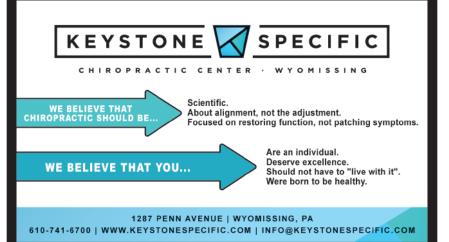
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Ask SCORE

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Simplified Employee Pension (SEP) IRA: A SEP IRA is a basic retirement plan that allows self-employed people and small business owners to contribute directly to their own account. These accounts have a limit as to how much you can contribute each year – in 2020 owners can save up to \$57,000 toward retirement with a SEP IRA. This type of IRA offers tax advantages to business owners who put money away for retirement and contributions are tax-deductible.

SIMPLE IRA: The "SIMPLE" in SIMPLE IRA stands for a Savings Incentive Match Plan for Employees. This IRA is an employer-sponsored retirement plan for businesses with 100 employees or less and is funded by tax-deductible contributions and pretax employee contributions similar to the way a 401(k) works. Employees can contribute a portion of their paycheck pretax with taxes on the funds deferred until the money is withdrawn. SIMPLE IRAs are less expensive and easier to manage than other plans – a big benefit for busy small businesses.

Self-Employed 401(k): A self-employed 401(k) is a plan for a self-employed business owner with no employees. It is a

tax-deferred retirement plan that works about the same way as a traditional 401(k). However, if you are interested in putting a significant amount of retirement savings away each year, then a self-employed 401(k) has a big advantage. This plan looks at the participant as both the employer and the employee, allowing you to contribute more money each year than an individual could under most other traditional retirement accounts.

Each of these plans has its advantages. Picking the right one for you and your business often comes down to the tax advantages your business can benefit from now and how much you're looking to save for the future.

Once you have selected your retirement account, come up with a contribution plan and stick with it.

Plan to contribute to your retirement account regularly and factor that into your overall budget each year. You can decide to make ongoing contributions or make one larger contribution at the end of the tax year. However often you decide to contribute to your account, make sure the amount you contribute is directly tied to





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SCHATZ ELECTRIC, INC. Jeff Schatz, Owner/President

Schatz Electric has been in business for 45 years. To keep the business growing, owner and president Jeff Schatz focuses on mastering new technologies and supporting customers 24/7—so he's always on the go. That's why he works with the teams at Tompkins VIST Bank and Tompkins Insurance Agencies, who proactively offer products and services that increase efficiency, such as remote deposit.

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the amount of money you plan to need throughout your retirement years.

According to SCORE mentor Frank DeSantis, "With any retirement plan, you need to estimate how much money you will need to live on after you stop working in your business. For a small business owner, there may be new costs to consider as expenses-such as automobile payments, fuel, insurance, and some entertainment coststransition from business tax deductions to personal expenses in retirement. Knowing what your needs are will help you plan to save enough to meet your goals."

Saving for retirement as a small business owner is easier with guidance from a professional.

As a small business owner, saving for retirement can feel like an overwhelming task on an already long list of to-dos. The best way to make saving for retirement a priority and make intelligent planning decisions is with the help of professionals who understand your needs. If you have not already started working with a professional financial planner, this is a great time to start. In addition, if you are looking for guidance in finding the right financial planner, choosing the best

retirement savings plan and planning for the future of your business, connect with a SCORE mentor. A SCORE mentor can help you develop and execute a smart retirement plan and get retirement savings checked off your to-do list.

ABOUT SCORE: Since 1964, SCORE "Mentors to America's Small Business" has helped more than 10 million aspiring entrepreneurs and small business owners through mentoring and business workshops. More than 11,000 volunteer business mentors in over 320 chapters serve their communities through entrepreneur education dedicated to the formation, growth and success of small businesses. For more information about starting or operating a small business, contact SCORE TriCounty, https://tricounty.score .org/content/find-mentor-183.

Today at SCORE, we are on the frontline fighting to keep Main Street America in business. If you believe that you can help a small business with your experience, advice and mentoring please think about joining us. Email us at tricounty@scorevolunteer.org, call us at 610-327-2673, or to learn more. To submit an application to be a SCORE TriCounty volunteer, visit our website at https:// tricounty.score.org/become-volunteer-2.

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