

Business Owners: How to Cut Your 2011 Taxes by \$38,000

August 3, 2011

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Business owners and independent professionals have powerful tax-saving options available to them that the rest of the population simply does not.

By opening and funding an IRS-approved qualified retirement plan called a small business defined benefit plan, a business owner or independent professional can make tax-deductible contributions to the plan in excess of \$100,000 per year and thereby save \$38,000 or more in taxes each year.

Defined benefit (DB) plans are not right for everyone, however.

Do you fit this profile?

- Self-employed or small business owner with up to five employees
- 40 years of age or older
- Willing and able to contribute more than \$50,000 annually to a qualified retirement plan and continue this level of funding for at least 3 years

Defined benefit plans enable the self-employed to build a very large nest egg in a very short amount of time. DB plan participants can accumulate as much as \$1,000,000 to \$2,000,000 in a retirement account in just 5-10 years. Once a DB plan is funded to the IRS limit of \$2.36 million, the DB assets can simply be rolled into a regular IRA.

Here is a list of the typical professions of people with defined benefit plans:

- Architects
- Attorneys
- Consultants
- Contractors
- Independent Corporate Directors
- Dentists
- Doctors
- Entrepreneurs
- Graphic Designers
- Independent Insurance Agents
- Manufacturer's Reps
- Mortgage Brokers
- Real Estate Agents

- Software Developers

DB plans enjoy several powerful features.

- Highest allowable contributions to a qualified plan--\$100,000 or more (much higher than the contribution limits on SEP-IRAs and 401(k)s).
- Annual tax savings of \$38,000 or more
- Investments grow tax-deferred, building wealth faster
- Tax-free rollover to an IRA at retirement (or plan termination)
- Flexible range of investment choices

Defined benefit plans are not appropriate for everyone, but for those in the right circumstances they can provide large tax savings and a very fast way to “catch-up” on amassing a substantial retirement nest egg.

We would be pleased to generate a complimentary proposal for you if you would like to see how much you could save in taxes by establishing a defined benefit plan. Just give us a call or send an email. It takes just a little time and won't cost you a thing.

If you would like more information about how DB plans work, simply contact me and I will send you our 2011 Defined Benefit Plan White Paper.

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