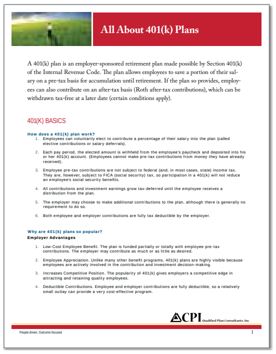
RETIREMENT PLANS — PLAN TYPES


All About 401(k) Plans

401(k) Plans

A 401(k) plan is an employer-sponsored retirement plan made possible by Section 401(k) of the Internal Revenue Code. The plan allows employees to save a portion of their salary on a pre-tax basis for accumulation until retirement. If the plan so provides, employees can also contribute on an after-tax basis (Roth after-tax contributions), which can be withdrawn tax-free at a later date (certain conditions apply).

The information provided will guide you through all aspects of a 401(k) plan.


403(b) Retirement Plans

403(b) Plans

A 403(b) plan is a retirement program adopted in accordance with the Internal Revenue Code to allow employees of 501(c)(3) organizations and public schools to voluntarily save for retirement with pre-tax dollars.

Eligible employers includes public schools, nonprofit organizations (those classified under section 501(c)(3) of the Internal Revenue Code), nonprofit hospitals, religious organizations, humane societies, social welfare agencies, charitable institutions, museums, and universities.


Roth
A 401(k) or 403(b) Program Option

Roth 401(k) or 403(b) Plans

Roth retirement plan contributions can be considered a cousin to the Roth IRA. A traditional contribution is made on a before-tax basis available to 401(k) and 403(b) plans.

Roth contributions, however, are made on an after-tax basis, the same as a Roth IRA. The earnings on traditional contributions are taxed upon distribution whereas earnings on Roth contributions are distributed tax-free (as long as the Roth account has been in place for at least five years).


The Vendor Solution
specifically designed for professional educators

The Vendor Solution

Our Vendor Solution program was designed to transfer individual 403(b) accounts to a pooled mutual fund custodian account.

403(b) Tax Sheltered Annuities (TSAs) and 403(b) mutual fund accounts are now subject to legislative requirements — similar to 401(k) plans. Professional educators need a service provider that will assume all of the recordkeeping and compliance responsibilities. We provide that solution.

To order a supply of any of our materials, contact us today at 800.279.9916 ext. 765.

CPI Qualified Plan Consultants, Inc.


Profit Sharing and Money Purchase Programs
Your 401a Solution

Profit Sharing and Money Purchase Plans
The 401(a) Solution

With a profit sharing plan, an employer offers to share profits with employees by contributing a portion to a qualified retirement plan.

A profit-sharing agreement is established generally based on a “discretionary” contribution; the employer does not have a set minimum dollar requirement that must be made each year. Money purchase plans, however, are also covered in this article and have required contributions vs. “discretionary” contributions.


A Compliance-Only Service

Compliance Only Services

Plan Sponsors periodically engage certain financial institutions to provide the day-to-day recordkeeping of their qualified retirement plan while the compliance work is provided by a third-party administrator like CPI. This type of retirement plan solution allows the employer access to mutual fund options or certain services that would not typically be available to the small plan market without incurring exorbitant fees.


457(b) Retirement Plans
for tax exempt and governmental organizations

457(b) Plans

A 457(b) plan is a retirement program adopted in accordance with the Internal Revenue Code to allow employees of certain eligible governmental or tax-exempt entities to voluntarily save for retirement with pre-tax dollars. A 457(b) plan is generally funded solely with employee salary reduction contributions.

Eligible employers include tax-exempt employers and state and local governments.


Nonqualified Deferred Compensation Plans
a retirement plan for executives

Executive Nonqualified Deferred Compensation Plans

A nonqualified deferred compensation plan allows owners and executives to set aside unlimited amounts on a tax-deferred basis in a separate retirement plan designed only for them. This retirement plan alternative helps bridge the gap between what a qualified retirement plan will provide at retirement — and what they actually need to maintain their current lifestyle. A 409A-compliant program.

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