



# Introducing The Small Business Pension Program

The *Small Business Pension Program*<sup>SM</sup> is a qualified retirement plan program for older, high-income self-employed individuals and owners of small businesses with one to five employees. It offers the highest tax-deductible contributions permitted to employer-sponsored retirement plans for those who qualify.

The *Small Business Pension Program* is a defined benefit pension plan program. Defined benefit plans can allow significantly larger contributions to a qualified plan than defined contribution plans such as SEP, profit sharing and 401(k) plans. In addition, changes in the tax laws over recent years make them even more advantageous for small businesses.

## Benefits To Your Clients

- Tax deductible contributions: Annual contributions to the *Small Business Pension Program* are fully tax-deductible as a business expense.
- Highest allowable contribution to a qualified retirement plan: Qualified clients can put away up to \$100,000 or more each year for retirement.
- Investments grow tax-deferred: Clients enjoy a higher rate of compound growth compared to paying current taxes on gains.
- Tax advantages continue into retirement: Benefits may be annuitized, or paid out as a lump sum distribution which can be rolled into an IRA account to continue tax deferred growth.
- Customer service by experts: Retirement specialists are available to answer questions for clients and their tax advisors.

## Who are Your Key Prospects?

Self-employed individuals or small business owners, 45 years of age or older, who typically earn \$100,000 or more annually.

## Prospects include:

- Business owners with up to five employees
- Independent contractors, consultants, professionals, sales reps
- Employees who also receive self-employment income from consulting, director's fees or side businesses
- Self-employed spouses of high-income earners

## Great Prospects for the *Small Business Pension Program*

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

## Support for Financial Advisors

Everything you need to qualify prospects, present the program and open the plan.

- Sales support: Contact our Retirement Plans Specialists at 1-888-738-1546, option 1.
- Client proposals in minutes: Go to the *Small Business Pension Program* website on ConsultWorks2 Products/Services under Retirement Consulting Services/Small Business Retirement Plans to create an attractive proposal to present to a client. The proposal system calculates your client's estimated maximum contribution, tax savings and account growth over the life of the plan.
- Sample prospecting materials: Prospecting letters, telephone talking points, prospecting tips. Go to the *Small Business Pension Program* website on ConsultWorks2 Products/Services under Retirement Consulting Services/Small Business Retirement Plans.
- Year round phone support and customer service: Plan actuarial and administrative services and support provided by EMJAY Retirement Plan Services, Inc. - the full-service nationwide third party administrator for the *Small Business Pension Program*. Experts are available to answer questions, set up plans, handle IRS reporting, recalculate annual contributions and keep you up-to-date on relevant regulation and tax law changes affecting your client's defined benefit plan.

### ***Small Business Pension Program Basic Fee Schedule***

Plan Set-up (first year only)	\$1,200 + 50 per participant
Annual Administration (every calendar year, billed quarterly)	\$1,500 + 100 per participant

**Additional fees for special services may apply.**

**See Plan Fee Schedule for more details.**

## Typical Prospect Scenarios

### **A Short Window Until Retirement.**

Barbara is 60 years old and is a sole proprietor earning \$100,000 each year after payment of self-employment taxes. She is married to a high-income earning executive, and they both plan to retire in five years. They don't need Barbara's income to maintain their lifestyle. They want to defer as much income as they can from current taxes. Barbara will set up a *Small Business Pension Program* and make a tax-deductible contribution of \$66,900. In addition, she will establish a 401(k) for herself and give herself the option of making an additional tax-deductible contribution of \$20,000 – the employee contribution available to individuals over 50. Her total tax-deductible contribution will be \$86,900.

### **Maximizing Tax Savings.**

Nathan is 52 years old and expects to have a W-2 income of at least \$200,000 in his law practice until he retires in ten years. Nathan's firm is incorporated. By establishing a *Small Business Pension Program*, he can contribute and take a tax deduction of \$164,700 – more than three times what he could have contributed to his profit sharing plan. Other sources of income and assets are used to support his lifestyle.

### **Taking Advantage of a Part-Time Income Opportunity.**

Walter is a 57-year-old professor in the business school at the local university and plans to retire in five years. He consistently earns an additional \$120,000 each year consulting after payment of self-employment taxes. The university provides him with a 403(b) plan to which he's been contributing. Walter sets up a *Small Business Pension Program* to reduce his taxable income and make a tax-deductible contribution of \$82,100 based on his consulting income.

**For additional information on the *Small Business Pension Program*, call Retirement Consulting Services at 1-888-738-1546, option 1.**

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