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5 questions to consider when evaluating your retirement strategy

Enhancing personal savings for yourself and your firm is always a good retirement strategy. Take time to review your options today, keeping these questions in mind.

1. Have you reviewed options that allow you to maximize your tax-deductible savings up to $60,000 per year for ages 50 and up*?

2. Do you have options that can help reward key employees in your firm while reducing your social responsibility payments, like social security and workers' compensation?

3. If you have a profit sharing plan only, have you considered adding a 401(k) plan?

   It is important to know that if you have a profit sharing plan only, then that plan may not exempt you from your mandatory state retirement programs. These new and evolving programs are in various stages of the legislative and regulatory process in 40 states. You will need to keep a watchful eye on what your state's regulations will require.

4. How can you save the right amount for yourself?

   If you have wanted to save more on a tax-deductible basis but have not been able to, take time to consider whether the plan or plan provisions you currently have should be revised. Or, if you currently have a 401(k) plan and are frustrated by salary deferral limitations, you may want to consider amending the plan to a non-elective safe harbor plan or a safe harbor match plan.

5. Do you know your plan costs?

   Regardless of whether you have a plan or not, you want to make sure all plan costs are disclosed. A plan cost disclosure form called a 408(b)(2) disclosure should identify the various costs in your plan. If a 401(k) vendor lists a lot of language and where to look elsewhere, you may want to consider another provider.

   If you have a plan and are looking to optimize it, or don't have a plan but are looking to start, remember that it is never too late to implement or change something at your firm. While sometimes you can't effect changes this year, you can definitely start preparing for next year.

   If you have a SIMPLE IRA plan and want to adopt a 401(k) plan, you must serve notice to all employees at least 60 days before the year's end in which you are closing your plan. You can't have a SIMPLE IRA and another plan in the same year, so be sure to get clarification on transition issues. And, you really shouldn't close your SIMPLE IRA within two years of adoption.

For more information about AICPA 401(k) Plans for Firms, visit aicpa.org/retirement

**Savings numbers based on 2017.*