

COMPANY RETIREMENT PLAN OPTIONS FOR 2021

Solo(k)	SEP IRA	SIMPLE IRA	401(k)	Cash Balance Plan
<i>Who Participates</i>				
Also called a Self-Employed or Individual 401(k). A plan for a business owner with no employees other than a spouse.	SEP = Simplified Employee Pension Business owners and their few employees, likely less than 20.	SIMPLE = Savings Incentive Match Plan for Employees Business owners and less than 100 employees	Business owners and any number of employees.	Business owners and any number of employees eligible for the existing company 401(k) Plan.
<i>Who Funds the Account</i>				
The owner as an employee and as an employer can make contributions.	Only the employer can contribute.	The employer and employee can both contribute.	The employer and employee can both contribute.	Only the employer contributes
<i>How to Fund the Account</i>				
An employee can contribute pre-tax up to \$19,500 (\$26,000 if over age 50) per year and the employer can contribute 25% of pay per year. Total contributions cannot be greater than \$58,000 or \$64,500 for an employee over 50. The employer can contribute even if the employee does not.	The employer can contribute pre-tax up to 25% of pay or a maximum of \$58,000 per year. The same percent contribution must apply to every eligible employee.	The employee can contribute pre-tax a maximum of \$13,500 (or \$16,500 if over age 50). Employers can choose if they want to match dollar for dollar of the employees' contribution up to 3% or if they want to give a 2% nonelective contribution.	An employee can contribute pre-tax up to \$19,500 (\$26,000 if over age 50) per year. The employer can chose what percent matching but total contributions for matching and profit-sharing cannot be greater than \$58,000 or \$64,500 for an employee over 50.	The employer will contribute an amount based on employee ages, pay, and years of service. Contributions to a 401(k) and Cash Balance Plan can be well over \$100,000 per year.
<i>Distributions and Penalties</i>				
Withdrawals are allowed at any time, but a 10% penalty may apply if you are under age 59 1/2 and you do not meet the hardship definition. Normal federal income taxes will also apply.	Withdrawals are allowed at any time, but a 10% penalty may apply if you are under age 59 1/2. Normal federal income taxes will also apply.	Employees can withdraw money any time but a 10% penalty may apply if they are under age 59 1/2. If the withdrawal is within the first two years of participating in the plan the penalty is 25% if under 59 1/2. Normal federal income taxes will also apply.	Withdrawals are allowed at any time, but a 10% penalty may apply if you are under age 59 1/2 and you do not meet the hardship definition. Normal federal income taxes will also apply.	Distributions may be lump sum or monthly annuity payments. Distributions are possible before 59 1/2 but there would be a 10% penalty plus federal income taxes.
<i>Costs Associated with the Plan</i>				
Advisory fees, custodial fees, and mutual fund/investment fees 	Advisory fees, custodial fees, and mutual fund/investment fees 	Advisory fees, custodial fees, and mutual fund/investment fees 	TPA, recordkeeper, auditor, advisory fees, custodial fees, and mutual fund/investment fees 	TPA, recordkeeper, actuary, auditor, advisory fees, custodial fees, and mutual fund/investment fees 

Cox Global Associates works with many large global firms as partners to deliver the best solution for you and your employees.

Service providers and investment managers include:



Registered Investment Advisor

1260 Pin Oak Rd. Ste 204 || Katy, TX 77494

281-395-8300

CoxGlobalAssociates.com

Created March 11, 2021. The above plans may not be the only plans available to a business owner for retirement planning. See your tax advisor and financial professional for additional details. Securities and Advisory Services are offered through Geneos Wealth Management, Inc. FINRA, SIPC.

Types of Service Providers

Provider	Description
Plan Advisor	A financial consultant who oversees the investment selection and monitoring process for the plan. They also assist the Plan Sponsor with participant education. The advisor or consultant will create and maintain the plan's investment policy statement along with Plan Sponsors. Fees are typically a percent of plan assets.
Mutual Fund Company	An investment advisor that manages a mutual fund. Retirement plans should offer a variety of mutual funds offering different investment securities and risk levels. Mutual funds charge a percent fee based on the assets within the fund.
Custodian	A custodian is responsible for the safe keeping of assets and executing transactions within an account. Custodians may charge a flat fee or a percent of assets.
Recordkeeper	A recordkeeper maintains the plan's website, track contributions and withdrawals, and prepare participant and plan statements. The recordkeeper and the third-party administrator may be the same firm.
Third-Party Administrator	Also known as the TPA. They are responsible for maintaining and creating the plan document, preparing IRS forms, and performing annual compliance testing. The plan document will outline the rules specific to a company's plan for participants, beneficiaries and plan sponsors.
Actuary	Defined benefit plans, like a Cash Balance Plan, need an actuary to estimate the obligations of the employer both financially and lawfully. They will calculate what is owed to each employee using data like future compensation increases, investment returns, age of employees, and death or termination expectancies.
Auditor	An independent public accountant who will annually review a "large plan" for following IRS and Department of Labor rules as well as the rules stated in the Plan Document. A "large plan" is one with 100+ employees.

Heading into 2019, **42%**

of small-business owners were counting on the sale of their business as a major source of retirement income.¹ After 2020, small-business owners need a back up plan.

58%

of small-business owners offer no retirement plan to help themselves and their employees prepare for the future.²

Cox Global Associates' *Plan Advisor Services*

We offer the following services for all plan sizes, even start-up plans.

We will design, follow, and manage your Plan's Investment Policy Statement.

We will assist with the research, due diligence, and review of all Plan service providers.

We will be responsible for the investment selection and monitoring of the Plan's investment options.

We will provide ongoing participant education and one on one participant assistance as needed.

¹ The Motley Fool, June 2018 ² "Just 4 in 10 small businesses offer retirement benefits, survey finds" LIMR Research, January 18, 2019