Small Business
Retirement Plan Solutions
from BNY Mellon

Retirement 2017

BNY MELLON RETIREMENT

Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.

Establishing The Right Retirement Plan For Your Business

As a small business owner, you put your heart and soul into your business. You have to keep all the balls in the air as you juggle your various day-to-day responsibilities. You may be so busy that you have not had time to focus on a very important aspect of business ownership — a retirement plan for you and your employees.

Benefits of Retirement Plans

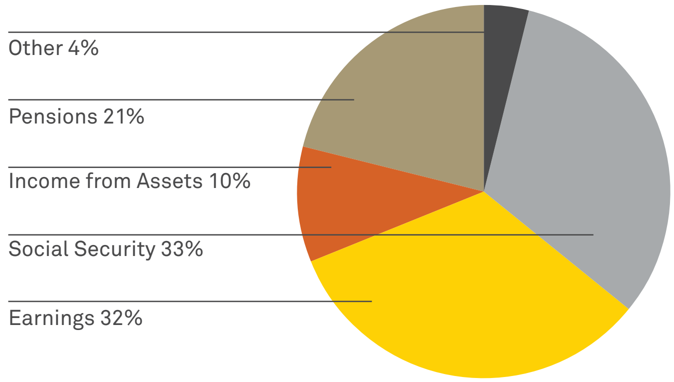
Retirement plans offer numerous potential benefits for you, your employees and your business, including:

- Tax advantages provided to the business
- Attracting and retaining quality employees
- Opportunity for you to save for your own retirement

Where Does Your Retirement Money Come From?*

Many people are under the impression that their pensions and Social Security can carry them through their retirement years. Unfortunately, as illustrated by the chart below, that is not the case for some individuals anymore.

You May Not Be Able to Just Rely on Pensions and Social Security Anymore



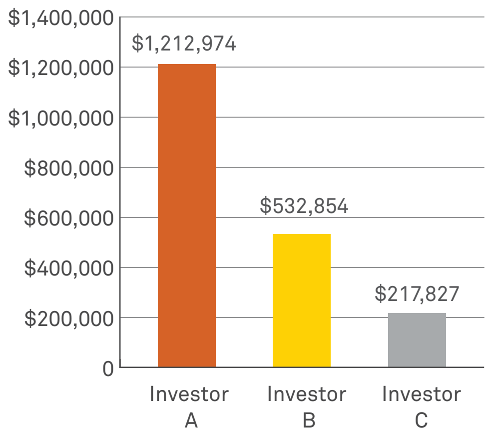
* Source: Social Security Administration, *Fast Facts and Figures About Social Security*, 2016

The Earlier the Better

The sooner you begin a disciplined schedule of investing toward your retirement, the larger the asset base from which your retirement investments may grow. By paying yourself first, as if your retirement savings were just another monthly bill, you will be in a better position to meet the financial needs of your retirement years.

This hypothetical illustration shows how investing in a SIMPLE IRA for longer time periods can be beneficial.

Compounding Effect of Longer-Term Investing



This hypothetical example is for illustrative purposes only to illustrate the mathematical principle of compounding. It assumes a $4,000 contribution made each year to a SIMPLE IRA and an 8% compounded return. Returns do not take into account fees and expenses of an actual investment, which is subject to investment risk and principal volatility. Actual returns will vary and may be greater or less than any assumed rate. There can be no guarantee that any particular return will be achieved.

Investor A invests $4,000 a year from age 25 – 65.

Investor B invests $4,000 a year from age 35 – 65.

Investor C invests $4,000 a year from age 45 – 65.

Benefits For You, Your Business and Your Employees

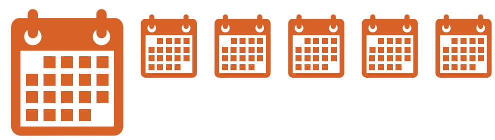
You may think that a retirement plan is too expensive or an administrative burden. Actually, it's a benefit that you might not be able to afford to pass up — for yourself and for your employees.

Tax Advantages
Keep in mind that retirement plans can have significant tax advantages. Money in the plan grows tax-deferred and your personal contributions are generally made on a pre-tax basis. In addition, there is a tax advantage to employers. The employer's contributions are tax deductible from the employer's income. As with most retirement plans, withdrawals will be subject to the current federal and state income tax, which will reduce accumulated amounts, and early withdrawals may be subject to an additional penalty and tax.

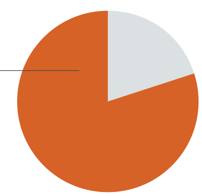
For more detailed information, please contact your financial advisor.

Did You Know?

Retirement can last for **30 years** or more.



A common rule of thumb is that a retiree will need up to **80%** of his/her annual income to comfortably retire.



The average amount paid monthly by the Social Security Administration in the form of a benefit to retired workers is **$1,342.**

Source: Social Security Administration, Fast Facts & Figures About Social Security, 2016, https://www.ssa.gov/policy/docs/chartbooks/fast_facts/2016/fast_facts16.pdf.

Small Business Retirement Plan Options

IRA-BASED PLANS

	SIMPLE IRA	SEP IRA
Employer Eligibility	Self-employed individuals or businesses with 100 or fewer eligible employees who do not currently maintain another retirement plan.	Sole proprietors and businesses of any size (including owner-only businesses).
Who Can Contribute	Employee salary-reduction contributions and employer contributions.	Funded solely by employer contributions.
Key Advantages 2017	Salary deferral plan with little administrative paperwork.	Easy to set up and maintain. Flexible annual funding requirements.
2017 Employee Contribution Limits	Up to $12,500. Individuals age 50 and over can invest an additional $3,000.	N/A
2017 Employer Contribution Limits	Either 3% matching or 2% non-discretionary contributions.	Up to $54,000 or 25% of compensation.
Withdrawals	Permitted anytime — subject to then-current federal income taxes. Withdrawals taken prior to age 59½ may be subject to an early distribution penalty.	Permitted anytime — subject to then-current federal income taxes. Withdrawals taken prior to age 59½ may be subject to an early distribution penalty.
Reporting Requirements	Typically no plan-specific reporting required.	Typically no plan-specific reporting required. Employer must notify employees of plan eligibility and employer contribution type in advance of each plan year.

DEFINED CONTRIBUTION PLANS

	INDIVIDUAL 401(k)	KEOGH PROFIT SHARING
Employer Eligibility	Generally restricted to self-employed individual or small business owner with no employees other than a spouse.	Self-employed individual, partnership or unincorporated business owner.
Who Can Contribute	Plans permit both employee deferrals (Traditional and/or Roth) and employer contributions.	Funded solely by employer contributions.
Key Advantages 2017	Potentially higher contribution limits than SEP IRAs and Keoghs.	Flexible annual funding requirements.
2017 Employee Contribution Limits	Up to $18,000 salary deferrals. $24,000 if age 50 or older.	N/A
2017 Employer Contribution Limits	Total employer/employee contributions cannot exceed $54,000 ($60,000 if age 50 or older).	Maximum deductible contribution limited to 25% of compensation up to $54,000.
Withdrawals	Withdrawals permitted after a specific event (turning age 59½, retirement, disability, plan termination) subject to federal income taxes. Withdrawals taken prior to age 59½ may be subject to an additional penalty tax.	Withdrawals permitted after a specific event (turning age 59½, retirement, disability, plan termination) subject to federal income taxes. Withdrawals taken prior to age 59½ may be subject to an additional penalty tax.
Reporting Requirements	Generally, annual Form 5500 filing not required until plan assets exceed $250,000.	Generally, annual Form 5500 filing not required until plan assets exceed $250,000.

To learn more about our holistic approach to retirement planning please contact your advisor.

Distributions from a retirement plan or an IRA will generally be subject to taxation at then-current federal and state income tax rates. Distributions made prior to age 59½ may be subject to an additional early withdrawal penalty tax if not made for qualified purposes. Distributions from employer-sponsored plans are generally subject to mandatory 20% federal income tax withholding. Distributions from Roth IRAs and Roth retirement accounts may be tax-free if certain requirements are met.

This information is general in nature and is not intended to constitute legal or tax advice. Please consult your legal or tax advisor for more detailed information on legal or tax issues and advice on your specific situation.

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