

# Business Owner's Guide to Retirement Plan Review



## Attention Business Owners:

When was the last time you had your pension or 401(k) plan reviewed?



## Ask yourself these questions:

- Am I receiving the maximum benefit from my annual plan contribution?
- Is there a way to increase my plan contribution for my benefit while decreasing contributions to my employees?
- Do I have the ability to reward staff differently based on their importance to my company?
- Is my plan's design right for me and my company?

If your answer to any of these questions is "No" or "I don't know", you owe it to yourself to obtain a NO COST Retirement Plan Review.

## What Is A Retirement Plan Review?

A Retirement Plan Review is a thorough analysis of your current pension plan with the twofold goal of increasing your share of the annual deposit and reducing your plan's administration expenses. Once the review is complete, you will receive formal plan recommendation which is customized to meet your goals.

## How Can A Retirement Plan Review Benefit Me?

A Retirement Plan Review can benefit you in one or more of the following ways:

- Increase your share of the annual deposit.
- Optimize the plan design to meet your goals.
- Reduce annual administration expenses.
- Increase the number of funds and funds families available.
- Allow access to professional money management for all participants.

## Will The Retirement Plan Review Benefit My Employees?

Of course all pension plans benefit your employees but, the amount of the benefit is controlled by you with certain limitations. The initial review will illustrate the maximum allowable contribution available for your benefit. If desired, the initial design can be customized to increase contributions made on behalf of all or a few select key employees.

# How Do I request a Retirement Plan Review Analysis?

Furnish your Advisor with the following information:

- Completed fact finder.
- Employee census.
- Copy of your plan documents.
- Copy of the 5500 reporting form you filed with the IRS last year.

# What Is The Advantage To The Business Owner?

The enactment of the Pension Protection Act dramatically increases the benefits available to owners and top executives like you. In some cases as much as 85% or more of the contribution can be directed to the owner executive to fund larger retirement benefits.

If we find that your current plan is the best available, at least you have the peace of mind knowing this fact and it hasn't cost you a dime.

## Retirement Plan Comparison Chart

Plan Type	401(k)	Safe Harbor 401(k)	Simple 401(k)	Simple IRA	Profit Sharing	SEP IRA	Money Purchase	Defined Benefit	412(e)(3) (formerly 412(j))
Target Market	1 + Employees	1 + Employees	No More than 100 employees who earned more than \$5,000 in prior year	No More than 100 employees who earned more than \$5,000 in prior year	Business with fluctuation earnings and self-employed	Small businesses and self-employed	Business with high stable earnings and self-employed	Business with stable earnings and owners close to retirement and self-employed	Business with stable earnings and owners close to retirement and self-employed
Key Features	Tax-deferred investing; flexibility in plan design; investment flexibility	Tax-deferred investing; no discrimination testing; investment flexibility	Tax-deferred investing; no discrimination testing; investment flexibility	Tax-deferred investing; no discrimination testing; investment flexibility	Flexible Contributions; investment flexibility	Investment flexibility	Consistent contributions; investment flexibility	Consistent contributions	Consistent contributions
Contributors	Employee and optional Employer	Employee and Employer	Employee and Employer	Employee and Employer	Employer only	Employer only	Employer only	Employer only	Employer only
Contribution Flexibility	Yes	No; possible additional employer contributions above safe harbor	No	Very Limited	Yes	Yes	Yes	Yes	No; based on formula
Maximum Eligibility Requirements	Age 21 and 1 year of service	Age 21 and 1 year of service	Age 21 and 1 year of service	Employees earning \$5,000 in current year and any 2 prior years	Age 21 with 1 year of service (2 years with 100% vesting)	Age 21 with 1 year of service (last 3 of 5 years)	Age 21 with 1 year of service (2 years with 100% vesting)	Age 21 with 1 year of service (2 years with 100% vesting)	Age 21 with 1 year of service (2 years with 100% vesting)
Maximum Annual Salary Deferral	\$18,500 (2018) with \$6,000 catch up contributions	\$18,500 (2018) with \$6,000 catch up contributions	\$12,500 (2018) with \$3,000 catch up contributions	\$12,500 (2018) with \$3,000 catch up contributions	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Maximum Annual Employer Contribution	25% of eligible employee compensation	3-4% safe harbor; optional additional contribution either matching or non-elective. (total 25% of eligible compensation)	100% up to 3% match to participants or 2% to all eligible employees	100% up to 3% match to participants or 2% to all eligible employees	Up to 25% of eligible employee compensation; limited to \$55,000 per eligible employee (2018)	25% of eligible employee compensation	Up to 25% of eligible employee compensation; limited to \$55,000 per eligible employee (2018)	Amount needed to fund plan	Amount needed to fund plan
Vesting in Employer Contribution	May be graded up to 6 years or 100% after 3 years	100% immediately on Safe-Harbor contributions	100% immediately	100% immediately	May be graded up to 6 years or 100% after 3 years	100% immediately	May be graded up to 6 years or 100% after 3 years	May be graded up to 6 years or 100% after 3 years	May be graded up to 6 years or 100% after 3 years
Loans	Yes	Yes	Yes	No	Yes	No	Yes	Yes	No
When Established	Anytime	Anytime with 30-day notification for new plans prior to October 1st	Prior to October 1st	Prior to October 1st	Prior to fiscal year end	Anytime prior to tax filing deadline including extensions	Prior to fiscal year end	Prior to fiscal year end	Prior to fiscal year end
IRS 5500 Reporting	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes

Your optimal retirement plan is on this page. It may be one or a combination of these plans. A Retirement Plan Review will guide you to the right choice.

# Let's Get Started With Your Future Today!

# The American National Story

Chartered on March 17, 1905 by the company's founder, W. L. Moody Jr., American National began operations with \$100,000 of capital and \$20,000 surplus. Following a conservative investment philosophy, Mr. Moody believed that the company's profits should finance future growth, so American National did not pay dividends to investors in those early years. Mr. Moody envisioned a company that would flourish for centuries. His conservative business approach created a unique corporate culture that remains the heart of the Company today. This culture has helped American National persevere through wars, hurricanes, economic volatility, extraordinary technological advancements, evolving products, and the changing needs of policyholders and agents. American National remains financially strong and will continue to manage its business respecting the conservative principles of its founder, driven by its corporate vision to be a leading provider of financial services for current and future generations.

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In defined contribution plans, the amount of funds accumulated and the investment gains or losses solely determine the benefit at retirement. Distributions made to a Participant before age 59½ may be subject to a 10% premature distribution penalty. Neither American National nor its representatives provide legal or tax advice. Please consult your attorney or tax advisor for your specific situation. Qualified Plans have minimum distribution rules that govern the timing and amount of distributions. You should refer to your retirement plan, adoption agreement, or consult a tax advisor for more information about these distribution rules. American National Insurance Company, Galveston, Texas

