



The Retirement Plan
for
Small Business Entrepreneurs

Information Fact Sheet

1. General

People become Entrepreneurs often because they decide to take control of their own destiny by starting or buying a business. But, with this decision comes the very significant problem of getting the small business venture financed. Many of these people have been focused on building retirement accounts so most of their money is located in qualified retirement vehicles such as IRAs, Pensions and 401(k) Plans.

If improperly accessed, they stand to be hit with a 10% penalty and often pay as much as a combined 40% or more in federal and state income taxes. Depending on a person's tax bracket and the state of residence, total penalties along with federal and state taxes can encroach on 50%. The idea of losing as much as 50% on a distribution from a retirement account does not set well with most people.

So, the question to be answered is

How can a person access his / her retirement funds to purchase or capitalize a business while preserving the income tax deferral and without incurring a penalty?

The Answer

The solution to the problem is the ----- ***Retirement Security Plan and Trust***

2. What is the ----- Retirement Security Plan and Trust?

The Retirement Security Plan and Trust "RSPT" is a Multiple Employer Safe Harbor 401(k) and Profit Sharing Plan specifically designed to enable the Plan to invest in an Entrepreneur's small business.

This 401(k) Plan is perfect for both existing and new businesses. An Entrepreneur can utilize the basic features of the Plan by solely implementing the Plan as the business's official Retirement Plan or its advanced features can be utilized to enable the Plan to also invest directly in the Entrepreneur's business.

The advanced features of the RSPT, which enable the Plan to make an investment in the business, allow the Entrepreneur to gain access to his / her accumulated retirement funds for business investment purposes without incurring penalty or tax.

The RSPT is managed by a professional Trustee / Fiduciary team so an Entrepreneur who adopts the RSPT gains the benefit of ongoing unlimited support to assist in maintaining Internal Revenue Service and Department of Labor regulatory compliance.

3. Process

The process is simple:

- 1) Establish a new business entity

Setup a Corporation and other entities necessary to own and operate the business.

- 2) Adopt the RSPT

The new business entity formally adopts the RSPT to serve as the organization's official retirement plan. This is done simply by signing the required documents.

- 3) Move money from Existing Retirement Plan to RSPT

The money is moved from where it is currently held to the RSPT. This is called a Trustee-To-Trustee Transfer or a Custodian-To-Custodian Transfer.

- 4) Investment is made in the Business by the RSPT

The RSPT invests the funds directed by the Entrepreneur into the business.

Notes: Step (1) may not be necessary if an Entrepreneur's business is already operational and then he/she decides to adopt the RSPT.

Step (4) is not applicable for businesses which intend on using the basic Retirement Plan ONLY features

4. Key Points

- The RSPT is designed to maintain compliance with applicable regulatory code provisions overseen by the Internal Revenue Service and the Department of Labor.
- The RSPT is professionally managed with an independent Trustee / Fiduciary platform. This means that the Entrepreneur receives ongoing professional support and is not simply left on his / her own after adopting the Plan.
- The RSPT is a fully functional 401(k) Plan so an Entrepreneur and his / her employees will immediately be able to begin building or continue building retirement assets by deferring income into the Plan
- When the RSPT is utilized to make an investment in the Entrepreneur's business, **NO** Tax or Penalty is incurred when properly implemented and administered.
- An Entrepreneur's retirement assets get diversified into something other than market based investments.