



# Article Side

Pensions and SEP IRA by [Reem Bailey](#)

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Getting close to retirement day by day? Have you been going through your retirement plan options? Are you worried about not having a sufficient source of income once you hit retirement age?

It is never too early to start making preparations for your retirement plan. And if you find this process hectic, which you probably will, then you will need to consult a professional senior resource advisor.

Here are some numbers for you:

State and local pensions in the United States are an economic force that holds \$2.6 trillion in assets and serve 14.4 active employees. Why do pensions matter to employees? The answer is simple; because they offer the best chance for retirement security. Why do pensions matter for employers? Because they are an effective recruitment and retention tool. Additionally, research has found that pension plans reduce turnover by 13%. Why do pensions matter to taxpayers? Because they are an economically efficient and prudent use of funds. Pensions also help save governments money by reducing citizens' need to rely on public assistance.

One of the options that might be suitable for you is the simplified employee pension plan or what is commonly referred to as the SEP IRA, which is a retirement plan designed especially for the benefit of self employed individuals as well as small business owners, S and c corporations and sole proprietorships. In general, contributions to a SEP IRA are 100% tax deductible, which is one of several advantages of choosing a SEP. (In order to determine how much you can contribute to a SEP IRA based on your income, you can use the interactive SEP IRA calculator). Another advantage is that, generally speaking, you don't have to file any documents with the government.

For a sole proprietor, the deadline to establish and fund a SEP IRA would April 15th.

Once you set up the SEP IRA, you need to inform your employees about the plan. An eligible employee is a person who meets the following requirements:

1. Is at least 21 years old.
2. Has performed service for you in at least 3 years of the last 5 years.

As the plan sponsor, you need to monitor the financial institution to insure that they are doing everything that they are supposed to be doing and don't forget to frequently check to make sure they are not overcharging you for their services.

If the time comes when you feel that the SEP IRA is no longer suitable for the purpose of your business, consult with a specialist to determine if another type of retirement plan may be a better alternative.

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If you are looking for a senior resource advisor who is willing to sacrifice enough time to walk you

through every possible choice for your retirement a [pensions](#) plan, who will always pick up the phone when you need her to and who has a long term experience in this field. Then you should definitely refer to Valerie Schwait as your professional advisor. For more information on the a [SEP IRA](#) services provided by Valerie Schwait and a group of senior resource advisors please visit the website at <http://www.senior-resource-advisors.com/>

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