

Unlocking the \$16,500 Tax Credit: A Strategic Advantage for Your Company's Retirement Plan

You might be leaving thousands of dollars in tax credits on the table. Here's how to fix that.

If you help manage your company's 401(k) or 403(b) plan, you already know how much goes into doing it right, from compliance deadlines to employee engagement. But what you might not know is that your organization could be eligible for up to \$16,500 in federal tax credits, thanks to a little-known incentive under the SECURE Act.

At IMA Retirement, we're here to help you not just meet your responsibilities, but maximize the full value of your plan. Here's what you need to know.

What's the SECURE Act tax credit, in plain English?

The SECURE Act (Setting Every Community Up for Retirement Enhancement) was designed to make it easier and more affordable for businesses to offer retirement plans. One of its biggest hidden gems? A generous Startup Plan Credit worth up to \$5,000 per year for the first three years, plus an additional \$500 per year if you add automatic enrollment.

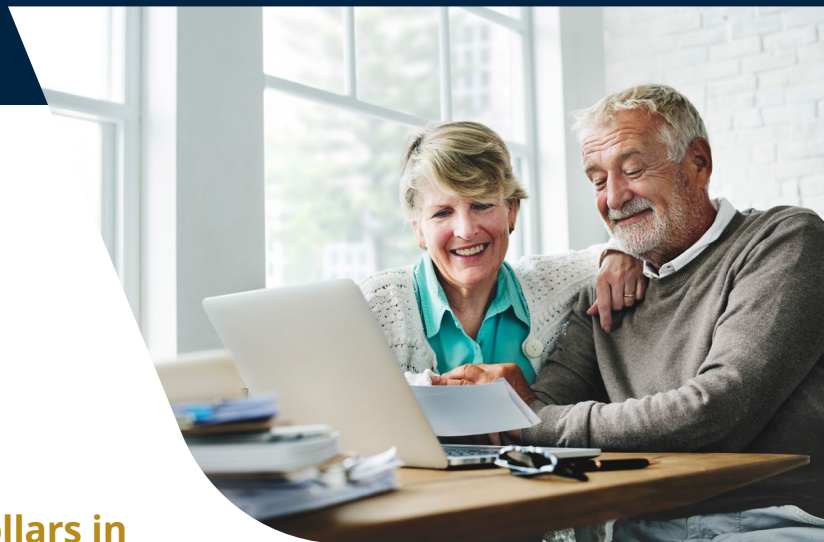
That adds up to a potential \$16,500 in total tax credits. And yes, this applies to many small and mid-sized employers who either recently launched a retirement plan or are considering doing so.

Who qualifies?

Your company may be eligible if:

- + You have 100 or fewer employees who earned at least \$5,000 in the preceding year.
- + You haven't offered a retirement plan in the last three years.
- + You set up a new 401(k), 403(b), SIMPLE IRA, or SEP plan.

Even better, if you've already launched a plan within the last two years, you may still qualify retroactively, so it's not too late to claim what you're owed.



How do the numbers work?

The SECURE Act credit is calculated as \$250 per eligible non-highly compensated employee, with a minimum credit of \$500 and a maximum of \$5,000 per year.

Let's say you have 20 eligible employees. That's $250 \times 20 = \$5,000/\text{year}$.

Add auto-enrollment? That's another \$500/year.

Multiply by three years: \$16,500 total.

That's real money. Money you could use to offset administrative costs or reinvest in employee benefits.

Why aren't more companies taking advantage?

The short answer: awareness. Many HR teams and business leaders are unaware of this credit or assume it doesn't apply to them. Others are unsure how to claim it, or worried it'll be more hassle than it's worth.

That's where we come in. IMA Retirement helps you cut through the complexity and get what your organization deserves. From eligibility assessments to filing support, we make it easy to unlock this strategic advantage.

Make your plan work harder — for your business and your people.

The good news: claiming the credit is fairly straightforward. You'll do it as part of your annual business tax filing using IRS Form 8881 (Credit for Small Employer Pension Plan Startup Costs). This form allows you to report the costs associated with starting and administering your plan, plus any auto-enrollment features you've added.

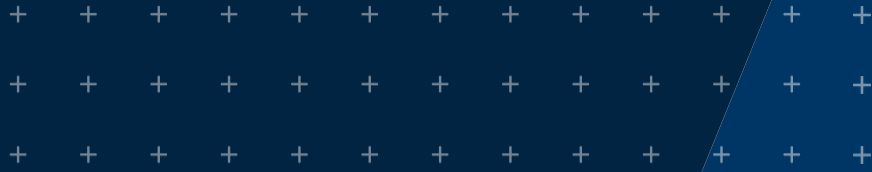
Here's what you'll need:

- + Your plan start date and type (e.g., 401(k), 403(b), SIMPLE IRA)
- + The number of eligible employees
- + Documentation of your startup and administrative costs
- + Confirmation of whether auto-enrollment is part of your plan design

If you work with a payroll provider, recordkeeper, or retirement plan consultant, they may be able to help gather this information. At IMA Retirement, we regularly assist clients in preparing the proper documentation and coordinating with their tax professionals to ensure the credit is properly claimed. You don't need to file for all three years at once. You'll complete Form 8881 each year you're eligible.

Retirement benefits are one of the most powerful tools for attracting and retaining talent. The SECURE Act tax credit helps you offer them more affordably. If your company is growing, has just launched a plan, or is exploring new options, this is a prime opportunity to act

Let's talk.



IMA Retirement can help you:

- + Determine if your organization qualifies
- + Calculate your maximum credit
- + Simplify the filing process
- + Identify other tax-advantaged plan enhancements

For assistance with your retirement needs, contact an IMA Retirement Advisor at 800.305.1864 or retirement@imacorp.com

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