PPI

Tax credits for new plans

Three SECURE 2.0 credits that can cover the full cost of starting a 401(k) or profit sharing plan.

- Startup credit: 100% of qualified costs, up to $5,000 a year for 3 years (50 or fewer employees)
- Contribution credit: up to $1,000 per employee earning $100,000 or less, phasing out over 5 years
- Automatic enrollment credit: $500 a year for 3 years
- Most new 401(k) plans must include automatic enrollment

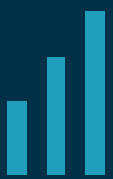
EXAMPLE	CREDIT
15 eligible employees, startup credit	$3,750
Plus automatic enrollment	$500
Total for the year	$4,250

Credits for 51 to 100 employees are reduced. Employer contribution credits don't apply to defined benefit plans.

QUESTIONS ABOUT A PLAN? CONTACT US.

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