

Shān Sutherland, Wealth Advisor at Simple Impact LLC, Discusses Retirement Plan Options in California

Shān Sutherland's company, Simple Impact LLC, offers women business owners assistance with CalSavers or Retirement Plan activation

LOS ANGELES, CA, UNITED STATES, November 20, 2019 / EINPresswire.com/ -- Over the past year, I've been having a lot of conversations with business owners who are asking what makes more sense, sign up for [Cal Savers](#) or establish a 401(k) retirement plan?

What's driving this law? California says increased costs for medical and other state programs that are the result of an aging population is the main culprit.

If you participate in CalSavers you do not need to establish a separate retirement plan for your business. If you have an existing retirement plan, CalSavers is not mandatory. In the latter instance, you do need to certify with the state through the California "secure choice" website that you offer an employee plan and employees are made aware of it.

Employers choose to enroll in CalSavers on the internet or with phone support. Employees will receive an access code once their employer has enrolled them. They will also need internet access where the employee can choose to opt out, or review and select investment options. There are some very nice people at 855-650-6918, to help enrollees, and offer language including Spanish speaking assistance.

A diligent business founder has worked hard for a very long time and there is a smarter way to reward herself. By paying less taxes and simultaneously building employee loyalty, business owners' lives can be simple and in alignment with her long-term goals.

There are 12 different retirement plans. Appropriate plans for business owners that fit the California mandate include Simple IRA's, SEP IRAs, and (my favorite) the 401(k). I strongly urge the 401(k) as it allows for the most options including larger annual contributions, taxable or tax deferred contributions, loans provisions, length of service, vesting schedules if employer matches contributions, cash balance contributions, and profit sharing to reward her best employees making a difference to the bottom line of the business.

Here is the key terminology that a founder and her human resource staff should be aware of when creating a retirement plan for the business:



Shān Sutherland, Wealth Advisor at Simple Impact LLC

In a 401(k) the employer will set up legal documents known as the Retirement Trust with its own tax ID. In these documents, the employer is referred to as the plan sponsor and fiduciary. For larger companies, this responsibility can be outsourced to another person or committee.

The Retirement Trust is the plan documents created by the legal teams of the record keeper, Third Party Administrators (TPA). There are boilerplate templates, however, the best plan design takes into consideration the needs of the employer and her employees. In my experience, the angel is in the details.

TPA's make sure the plan is maintained and compliant with ERISA laws. Actuaries would help determine the funding requirements for a defined benefit plan, i.e. cash balance plan. Like any specialized bookkeeper, record keepers and actuaries have special training in the retirement field. Plan design by an experienced and knowledgeable TPA, brings huge value to a plan sponsor/employer. Good plan design, that my clients have first-hand experienced, can be expressed as nothing but magical.

The record keepers maintain details such as employee and employer contributions, account numbers, investments loans, withdrawals, and other administrative information.

As the assets grow inside of the retirement plan, the record keeper or TPA will recommend an ERISA Fidelity bond purchase. ERISA bonds ensure retirement benefits if the fiduciary mishandles the funds entrusted to them.

As the Advisor, I think of my role as a 401K care coordinator. Since it's football season you can also think of the advisor as your quarterback. It's important to have a point person who knows the players, and how to navigate the field to get the best result. My role begins with helping the employer to gather and organize her critical information including the Census data spreadsheet. I take time and listen carefully to understand what her needs are and share industry best practices.

Based on her business goals, a TPA is chosen to best fit the plan needs. I also evaluate and recommend recordkeepers. Common needs include the size of business(es), number of employees covered, ages of employees and owners, expected or desired annual contributions and integration with employer's benefit package (just to name a few). Once the business census data has been analyzed, I meet with the plan sponsor to show them anticipated costs, benefits, players, and the plan design to closely meet their needs.

Since I act as a fiduciary for all my qualified retirement clients, [Simple Impact LLC](#) services include one or more of the following activities: Hourly consulting to assist the business owner with CalSavers enrollment. Helping other women business owners establish their 401(k)retirement plan. Most importantly, I am the Chief hand-holder for the business owner.

Retirement readiness should benefit her, as much as her employees. Having a retirement plan in place is a key tool for cashing out of your business in a tax efficient manner when it comes time to enjoy the fruits of all the years of hard labor. If you own a California business and have been contemplating if you should start a retirement plan, the choice has now been made for you. Choose CalSavers or a private plan, to help you embrace and live intentionally the next exciting chapter of life.

*** Shān Sutherland's company, Simple Impact LLC, offers financial wisdom and an investment platform for all IRA, 401(k), and Trust accounts. Founded in 2014, they offer holistic planning

services and investment model strategies that align with values and long-term goals.

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Shān Sutherland (CA Insurance Lic. #0D28620) is a Registered Representative and an Investment Adviser Representative with/and offers securities and advisory services through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered by Simple Impact or CES Insurance Agency.

A woman of many talents, Shān Sutherland was featured in *Forbes Magazine 2017 Women Business Leaders California edition. In addition to developing investment plans for executives and leadership professionals, she applies a gender filter when establishing investment portfolios that emphasize a woman's contribution to corporate decision making. In 2013, 2016, 2017, 2018, and 2019, she was recognized by Los Angeles Magazine as a **Five Star(SM) Wealth Manager.

*Forbes feature is a paid promotional advertisement.

**Based on 10 objective eligibility and evaluation criteria, including a minimum of 5 years as an active credentialed financial professional, favorable regulatory and complaint history, accepts new clients, client retention rates, client assets administered, education, and professional designations. 3,528 Los Angeles area wealth managers were considered for the award; 154 (4 percent of candidates) were named 2019 Five Star Wealth Managers. (The criteria provided reflects the most recent year for which advisor received the award. The criteria used, the number of wealth managers considered for the award, and the percentage of those who receive the award, may vary from year to year). These awards are not indicative of the wealth managers' future performance. Your experiences may vary. For more information, please visit www.fivestarpromotional.com.

Sutherland has set up 401(k) retirement trusts for companies with 100+ employees and, more frequently, individual 401(k)s for S-Corps. Being responsible for the money of others, she obtained the Accredited Investment Fiduciary® (AIF®) designation, which increased her knowledge of fiduciary considerations when reviewing retirement plans. The AIF® process is best applied to overseeing and recommending choices for large-scale 401(k) retirement plan assets and charitable trusts. She also advises other fiduciaries (such as board members) on investment policies, asset allocation, and regulatory updates. Finally, she was recently voted one of ***"L.A.'s 100 Most Fascinating People" by the "Best of Los Angeles Award" community.

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