

Ubiquity's Definitive Guide to Small Business 401(k) Plans

Saving more and securing your
retirement future just became easier.



WHAT'S INSIDE

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401(k) vs. IRA: Why a 401(k) is a Win for Small Businesses

When it comes to retirement savings, both 401(k)s and IRAs offer great tax advantages. However, there are some significant differences that make a 401(k), as they:



Allow both employer and employee contributions (meaning greater flexibility)



Provide more opportunities to maximize savings with higher limits, tax credits, etc.



Drive participation and boost loyalty thanks to incentives, like employer contribution matching



Federally protect you from asset seizures

And here's the best part: You don't have to choose between the two! If you meet the eligibility criteria, you can contribute to both and boost your savings potential.

How Will Your Business Benefit From a 401(k)?



For Owners:

Save Big with Federal Support: Small businesses can unlock up to tens of thousands in tax credits, helping you cover setup costs, administrative needs, and more.

Cut Your Tax Bill: Owners can reduce their taxable income by putting away more on a pre-tax basis.

Watch Wealth Grow Tax-Free: Your investments grow tax-deferred, compounding over time for greater long-term savings.

Pay Less Later: Withdrawals in retirement are taxed at potentially lower rates than during peak earning years while working.

Stay Compliant: A Ubiquity 401(k) means you'll meet IRS compliance requirements and not have to take on complex admin processes, helping you avoid costly fines and penalties.

For Employees:

Stay Satisfied and Loyal Longer: Retirement benefits are at the top of the list with employee demands, and vesting schedules and more savings options encourage loyalty and happiness.

Reduce Stress and Increase Overall Well-being: Having a set plan for the future and accumulating savings helps employees gain peace of mind and feel happier and healthier for the long-haul.

Significant Tax Savings: Employees can choose pre-tax or Roth contributions, lowering today's tax burden for more secure tomorrows.

How the Secure 2.0 Act Impacts Your Small Business



The Secure 2.0 Act is reshaping retirement savings, offering small business owners like you opportunities to maximize savings, attract and retain talent, and grow your company exponentially.

For Small Businesses

Tax Credits That Cover Costs: Secure 2.0 provides up to \$5,000 per year for three years to fully cover 401(k) setup and admin fees for businesses with up to 50 employees—totaling up to \$15,000 in savings. Plus, an additional \$500/year for three years is available for plans with automatic enrollment, starting in 2025.

Boost Employee Savings with Matching Credits: Employers can receive a credit of up to \$1,000 per employee per year for matching contributions, making it easier to incentivize employees.

Prepare for Auto-Enrollment: Beginning in 2025, all new plans must include Automatic Enrollment, a feature proven to boost employee participation and long-term savings.¹

For Older Americans

Higher Catch-Up Contributions: In 2025, those aged 60-63 can contribute up to \$10,000 or 50% more than the indexed catch-up limit in Roth contributions.

RMD Flexibility: The age for Required Minimum Distributions (RMDs) increases to 73 in 2023 and 75 by 2033, giving retirees more time to grow their savings. Missed RMD penalties also drop from 50% to 25%.

1. As of January 1, 2025, all plans must incorporate an eligible automatic contribution arrangement (EACA), with the exception of following:

- If they were established (effective) as of December 29, 2022
- If the sponsor has not yet been in business for 3 years (after the 3 years they must add it, the next plan year)
- Sponsors fewer than 10 employees (If they hit more than 10 employees they must add it the next plan year)



🕒 For Long-Term, Part-Time Employees

Easier 401(k) Access: Starting in 2025, part-time employees working 500 hours over two consecutive years will be eligible for 401(k) plans, down from the current three-year requirement.

Seamless Enrollment: With Ubiquity's easy-to-use platform, onboarding part-time employees is straightforward, allowing them to get on track for retirement planning quickly and easily.



Looking Ahead to Savers Match Coming in 2027

Starting in 2027, the Secure 2.0 Act introduces the Savers Match, replacing the Saver's Tax Credit to make saving for retirement even more rewarding.

Eligible employees can receive a 50% match on their retirement contributions, up to \$2,000 annually, deposited directly into their retirement account. The match phases out as income rises, ensuring those who need it most get the support.

How to Find Your Perfect 401(k) Provider



Selecting the right provider can make a significant difference on your plan simplicity, ability to save more, and ultimately, your financial well-being.

1 **Determine Your Business Needs**

Consider your unique factors like company size, budget, employee count, desired plan features, and investment options.

2 **Research Providers**

Examine fees, investment options, customer service, reputation, and available technology.

3 **Evaluate Provider Experience and Expertise**

Research their track record, industry knowledge, and experience with small businesses (especially with your industry).

4 **Review Plan Features**

Ensure your shortlisted providers offer plan types, matching contributions, vesting schedules, and investment options that align with your business goals.

5 **Monitor and Evaluate Plan Performance**

After implementing your new 401(k) plan, track employee participation, investment performance, and ensure compliance with IRS regulations, and ask any questions as needed to your provider.

Why Choose Ubiquity?



For over 25 years, we made it possible for all small businesses to design and implement a robust 401(k) without compromising cost or quality.¹



Streamlined Payroll, Recordkeeping, and Administration

Our innovative technology is designed to seamlessly integrate with your existing system and augment it so that you can save time and money on tedious tasks, decrease errors, and get back to focusing on what you do best – managing your business.



Flat-Fee Cost Structure

Our flat-fee structure means transparency, simplicity, and no assets under management (AUM) fees. So, you'll keep more of your hard-earned money no matter how much your assets grow and can have peace of mind knowing your costs will stay consistent.

1. See [Important Information](#) for details.



Wide Range of Investment Options

More investment options mean more opportunities to save more and effectively meet your needs as your business grows. You can choose from 30k mutual funds + ETFs + ERISA 3(38) plans, and even get professional, independent investment management via our CensiblyYours™ Custom Index Portfolios.



Highly Personalized Options

We don't believe in one-size-fits-all 401(k)s. With us, you're able to tailor your plan and pick your best-fit features so that you can maximize your saving



World-Class Customer Support

Our team of experts are here to help you 24/7/365. Whether you have questions about your setup or want some more support for your ongoing management, we have your back.



Your Retirement Future *Starts Here*

Ready to create the retirement plan your business deserves with our flat-fee, highly customizable 401(k) plans? In just a short time, our team of experts can help you design, implement, and be on track to reach your financial goals.

Get started today!

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“This is, by far, the easiest 401(k) plan I’ve ever administered. It’s perfect for small companies that want to limit their overhead time on 401(k) admin and compliance. Customer service has been excellent in every way. I’ve called about loans, rollover distributions, contributions, fund change notifications, compliance requirements, etc., and have always gotten a prompt, knowledgeable, and friendly response.”

Karina M.

