

# SMALL-BUSINESS

## RETIREMENT PLAN SOLUTIONS



Retirement 2026

Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.

➤ **BNY** | INVESTMENTS

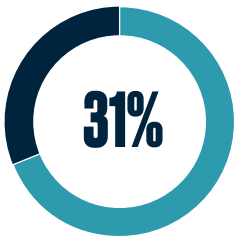
# Establishing the right retirement plan for your business

As a small-business owner, you put your heart and soul into your business. You have to keep all the balls in the air as you juggle your various day-to-day responsibilities. You may be so busy that you have not had time to focus on a very important aspect of business ownership — a retirement plan for you and your employees.

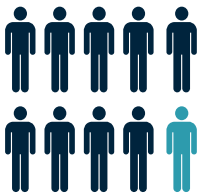
## Where does your retirement money come from?\*

Many people are under the impression that their pensions and Social Security can carry them through their retirement years. Unfortunately, as illustrated by the charts below, that is not the case for some individuals anymore.

Social Security benefits make up about 31% of older Americans' income



Nearly 9 out of 10 people age 65 and over are receiving a Social Security Benefit



\* Source: Social Security Administration, Fact Sheet, 2025.



### BENEFITS OF RETIREMENT PLANS

Retirement plans offer numerous potential benefits for you, your employees and your business, including:

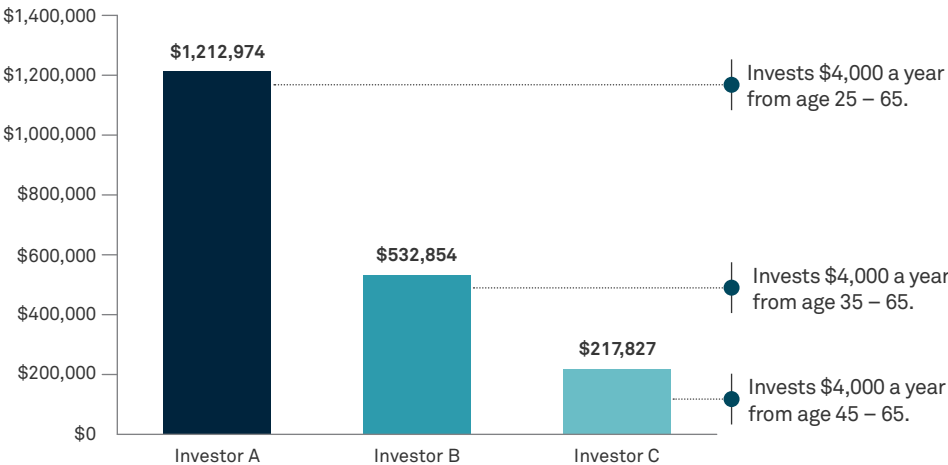
- Tax advantages for your business
- The ability to attract and retain quality employees
- An opportunity for you to save for your own retirement

## The earlier the better

The sooner you begin a disciplined schedule of investing toward your retirement, the larger the asset base from which your retirement investments may grow. By paying yourself first, as if your retirement savings were just another monthly bill, you will be in a better position to meet your financial needs during retirement.

This hypothetical illustration shows how investing in a Savings Incentive Match Plan for Employees (SIMPLE) IRA for longer time periods can be beneficial. See page 4 for description.

### Compounding effect of longer-term investing



This hypothetical example is for illustrative purposes only to illustrate the mathematical principle of compounding. It assumes a \$4,000 contribution made each year to a SIMPLE IRA and a hypothetical 8% compounded return. Returns do not take into account fees and expenses of an actual investment, which is subject to investment risk and principal volatility. Returns also assume no distributions were made from the account during the period shown. Actual returns will vary and may be greater or less than any assumed rate. There can be no guarantee that any particular return will be achieved. Actual rates of return will depend on the type of investments chosen, investment market volatility and other factors. All investments involve risk, including possible loss of principal amount invested. Investments with higher return potential generally have increased risk.

# Benefits for you, your business and your employees

You may think that a retirement plan is too expensive or an administrative burden. Actually, it's a benefit that you might not be able to afford to pass up — for yourself and for your employees.

## Tax advantages

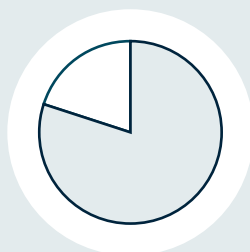
Keep in mind that retirement plans can have significant tax advantages. Money in the plan grows tax-deferred and your personal contributions are generally made on a pretax basis. In addition, there is a tax advantage for employers. The employer's contributions are tax deductible from the employer's income. As with most retirement plans, withdrawals will be subject to current federal and state income taxes, which will reduce accumulated amounts, and early withdrawals may be subject to an additional penalty and tax.

**For more detailed information, please contact your financial professional.**



RETIREMENT CAN LAST FOR

**30** years  
or more.



A COMMON RULE OF THUMB IS  
THAT A RETIREE WILL NEED UP TO

**80%**

of his/her annual income to  
comfortably retire.



THE AVERAGE AMOUNT PAID MONTHLY BY  
THE SOCIAL SECURITY ADMINISTRATION IS

**\$2,071**

in the form of a benefit  
to retired workers.\*

\* Social Security Administration, Fact Sheet, 2026.

# Small-business retirement plan options

## IRA-Based Plans

|                                   | SIMPLE IRA                                                                                                                                                                        | SEP IRA                                                                                                                                                   |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employer Eligibility              | Self-employed individuals or businesses with 100 or fewer eligible employees who do not currently maintain another retirement plan.                                               | Sole proprietors and businesses of any size (including owner-only businesses).                                                                            |
| Who Can Contribute                | Employee salary-reduction contributions and employer contributions.                                                                                                               | Funded solely by employer contributions.                                                                                                                  |
| Key Advantages 2025               | Salary deferral plan with little administrative paperwork.                                                                                                                        | Easy to set up and maintain. Flexible annual funding requirements.                                                                                        |
| 2025 Employee Contribution Limits | Up to \$17,000. Individuals age 50 and over can invest an additional \$4,000. Individuals age 60 to 63 can contribute an additional \$5,250 for a total contribution of \$22,250. | N/A                                                                                                                                                       |
| 2025 Employer Contribution Limits | Either 3% matching or 2% non-discretionary contributions.                                                                                                                         | Up to \$72,000 or 25% of compensation.                                                                                                                    |
| Withdrawals                       | Permitted at any time — subject to then-current federal income taxes. Withdrawals taken prior to age 59½ may be subject to an early distribution penalty.                         | Permitted at any time — subject to then-current federal income taxes. Withdrawals taken prior to age 59½ may be subject to an early distribution penalty. |
| Reporting Requirements            | Typically no plan-specific reporting required. Employer must notify employees of plan eligibility and employer contribution type in advance of each plan year.                    | Typically no plan-specific reporting required.                                                                                                            |

## Defined Contribution Plans

|                                   | Keogh Profit-Sharing                                                                                                                                                                                                      |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employer Eligibility              | Self-employed individual, partnership or unincorporated business owner.                                                                                                                                                   |
| Who Can Contribute                | Funded solely by employer contributions.                                                                                                                                                                                  |
| Key Advantages 2025               | Flexible annual funding requirements.                                                                                                                                                                                     |
| 2025 Employee Contribution Limits | N/A                                                                                                                                                                                                                       |
| 2025 Employer Contribution Limits | Maximum deductible contribution limited to 25% of compensation up to \$72,000.                                                                                                                                            |
| Withdrawals                       | Withdrawals permitted after a specific event (turning age 59½, retirement, disability, plan termination) subject to federal income taxes. Withdrawals taken prior to age 59½ may be subject to an additional penalty tax. |
| Reporting Requirements            | Generally, annual Form 5500 filing not required until plan assets exceed \$250,000.                                                                                                                                       |

## LEARN MORE

For more information, please contact your financial professional.

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Distributions from a retirement plan or a traditional IRA will generally be subject to taxation at then-current federal and state income tax rates. Distributions made prior to age 59½ may be subject to an additional 10% early withdrawal penalty tax if not made for qualified purposes. Distributions from employer-sponsored plans are generally subject to mandatory 20% federal income tax withholding. Distributions from Roth IRAs and Roth retirement accounts may be tax-free if certain requirements are met.

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