STEINBRENNER FINANCIAL GROUP

Retirement Accounts You Should Consider

Take a look at the many types of retirement plans available in today's market.

Visit Us : www.steinbrennergroup.com

There is no such thing as a one-size-fits-all retirement strategy. Because every circumstance is different, it's critical to find the retirement account that best fits your current job status and long-term aspirations.

Here are some of the types of retirement accounts you might be eligible to use:

- 401(k).
- Solo 401(k).
- 403(b).
- 457(b).
- IRA.
- Roth IRA.
- Self-directed IRA.
- SIMPLE IRA.
- SEP IRA.
- HSA.

Here's a look at how each type of retirement plan works and how to make the most of these long-term savings vehicles.

401(k)

Employers offer 401(k) accounts, so you'll need to see if one is accessible at your place of business. If you're under 50 years old, the IRS permits you to contribute up to $19,500 to a 401(k) in 2021. You can put up to $26,000 in the account if you are 50 or older. A part of your payments may be matched by your employer. Your 401(k) contribution is deducted from your taxable income. Starting at the age of 72, you'll have to start taking necessary minimum distributions from your account. Taxes are levied on money that are withdrawn. If you withdraw money from the account before you reach the age of 59 1/2, you may be subject to penalties.

Solo 401(k)

A solo 401(k) plan, also known as a one-participant 401(k) plan, is created for an individual business owner who does not have any employees. You may be qualified for a solo 401(k) if you are self-employed and do not have any workers (k). In 2021, the IRS will accept contributions of up to $58,000. You can also make catch-up donations of up to $6,500 if you are 50 or older.

403(b)

You may be qualified for a 403(b) if you work for a nonprofit or tax-exempt organization (b). In 2021, you can contribute up to $19,500 to this account, which is akin to a 401(k). You can set aside up to $26,000 if you are 50 or older. Until you withdraw your earnings, they will grow tax-free. A 403(b) distribution is considered taxable income.

457(b)

State and local governments both offer 457(b) plans. If you're qualified, you'll be able to contribute up to $19,500 in 2021, or $26,000 if you're 50 years old or older. You can also take money out before you reach the age of 59 1/2 without paying a penalty.

IRA

Individual retirement accounts are only available to people who have a regular

source of income. You can deposit up to $2,000 into the account if you earn $2,000 in a year. In 2021, the IRA contribution limit will be $6,000, or $7,000 if you are 50 or older. You'll get a tax deduction for the money you put into an IRA, just like you would with a 401(k). When you take money out of your account, it will be deemed taxable income. After you reach the age of 72, you must begin taking distributions from the account.

Roth IRA

To be qualified for a Roth IRA, you must have earned income, and the amount you contribute cannot exceed your earnings. In 2021, you can save up to $6,000, or $7,000 if you're 50 or older. A Roth IRA, unlike an IRA, requires you to pay taxes on the amount you donate. However, the money grows tax-free in the account, and Roth IRA withdrawals in retirement are tax-free. You don't have to accept distributions from a Roth IRA when you retire.

Self-Directed IRA

A self-directed IRA has the same contribution limits and eligibility conditions as a regular IRA, but it allows you to make different investments. A self-directed IRA, unlike standard accounts, allows you to invest in nontraditional assets such as cryptocurrency, precious metals, and real estate.

SIMPLE IRA

You may be qualified for a Savings Incentive Match Plan for Workers IRA if you work for a small firm with 100 or fewer employees. To be eligible for a SIMPLE IRA, you must have received at least $5,000 from the firm in the previous two years and expect to receive at least $5,000 this year. In 2021, you'll be able to donate up to $13,500 to this account. If you are

50 years old or older, you can make a $3000 catch-up contribution. Furthermore, employers are expected to contribute to the account. The amount you donate will be deducted from your taxable income, just like a 401(k), but you will be taxed when you withdraw it in retirement. If you withdraw funds from a SIMPLE IRA before reaching the age of 59 1/2, you may be subject to a penalty.

SEP IRA

A Simplified Employee Pension IRA is for small business owners and self-employed persons who have multiple employees. If you're eligible for a SEP IRA, you'll be able to contribute up to 25% of your annual salary or $58,000 in 2021, whichever is less. You won't have to pay taxes on the money you put in, but you will have to pay taxes on the money you take out. At the age of 72, you'll have to start taking withdrawals. If you take money out before you turn 59 1/2, you may have to pay a penalty on the amount you took out.

HSA

A health savings account can be used to save money for medical expenses in retirement. You must have a high-deductible health insurance plan to be eligible for an HSA. Individuals can contribute up to $3,600 to an HSA in 2021, or up to $7,200 if they have family coverage. If you are 55 or older, you are eligible for an additional $1,000 donation. The money you put into an HSA is tax deductible. If used to pay for qualifying medical expenses, the funds grow tax-free and can be withdrawn tax-free.

STEINBRENNER FINANCIAL GROUP

Contact Us

9800 W. Bluemound Rd. Wauwatosa, WI 53226

P: (414) 266-1900

F: (414) 266-1903

E: info@steinbrennergroup.com

W: steinbrennergroup.com