

401(k) Business Funding Setup Process

A Rollovers as Business Start-Up (ROBS Plan) is an innovative way to fund your own small business using your existing IRA or 401(k) funds.

401(k) funds can be translated into cash to start or grow your own business ventures by following these steps:

✓ 1. ESTABLISH A C-CORPORATION

- Get a tax attorney or CPA to help with this. Safeguard Advisors are well versed in employee benefit law, particularly ERISA (the Employee Retirement Income Security Act).

✓ 2. CREATE A CORPORATE RETIREMENT ACCOUNT

- To be precise, you'll need to create a profit-sharing or 401(k) plan that permits all plan assets from rollovers to be invested in company stock.

✓ 3. ROLLOVER OLD 401(K) OR IRA FUNDS INTO THE NEW ACCOUNT

- Any prior tax-deferred retirement account such as a 401(k) or IRA can be rolled over.
- A spouse's 401(k) account may be transferred into the new profit sharing plan if they are employed by the new business.

✓ 4. SET COMPANY STOCK PRICES

- Have the company stock price set through an independent business valuation.

✓ 5. ISSUE ALL COMPANY STOCK

- An Employee Stock Option Purchase (ESOP) is then executed, allowing the profit sharing plan to purchase parent company stock.
- Plan capital is now a shareholder of the corporation.

At Safeguard Advisors, our professionals make it easy to set up a Business Funding IRA. Because we have all of the resources you need in-house, we can often save you thousands on the process of setting up your plan. The process takes an average of 2 to 4 weeks to complete.

[Contact us today](#) to learn more about how we can help you reach your goals with a Business Funding IRA.