

Why should your business start a 401(k) in 2021?

The **Setting Every Community Up for Retirement Enhancement (SECURE) Act** went into effect January 1st, 2020, allowing more tax incentives for eligible employers:

- 1 Ten times the tax credits**

A 10-fold increase in tax credits for starting a company 401(k) plan:

 - Was up to \$500 per year for 3 years and is now up to \$5,000 per year for 3 years¹
 - Calculate your savings:

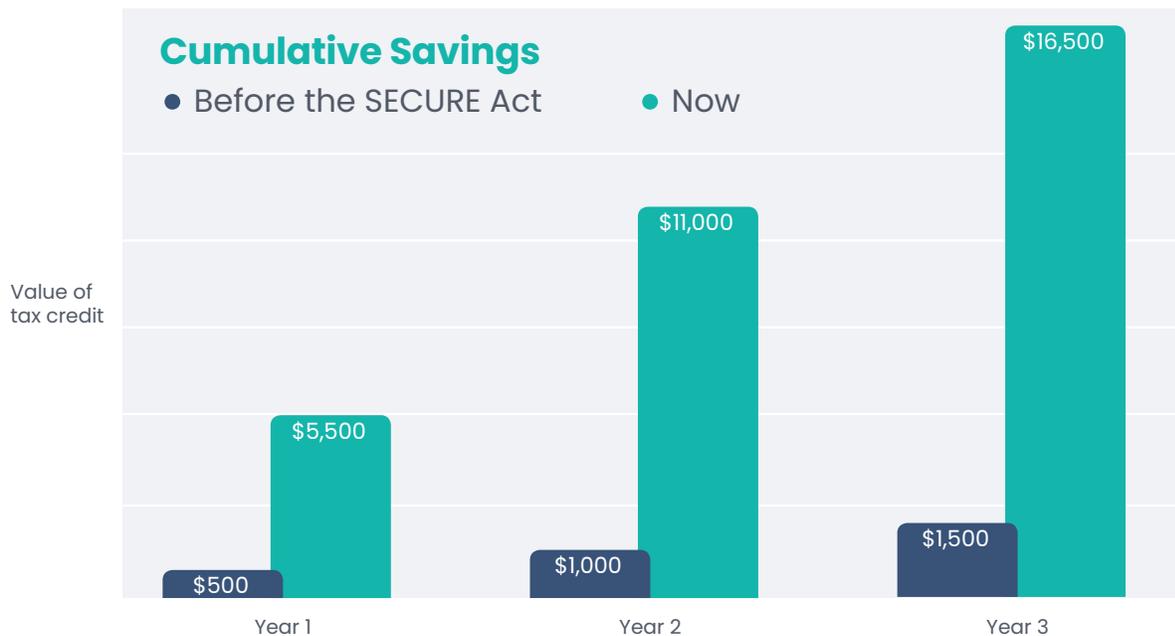
2 Automatic advantages

An additional \$500 per year for 3 years for employers who choose auto-enrollment

Take the greater of

1 \$500 or **2** The lesser of:

- \$250 multiplied by the number of non-highly compensated employees eligible for the plan
- \$5,000



Who is an eligible employer?

You had 100 or fewer employees who received at least \$5,000 in compensation from you the year before

You had at least one employee who was a non-highly compensated employee (NHCE)

Your employees haven't already received (last 3 years) contributions/benefits from another retirement plan you offer

¹ For eligible employees: According to [401\(k\) Specialist Magazine](#), the legislation increases the credit by changing the calculation of the flat dollar amount limit on the credit to the greater of (1) \$500 or (2) the lesser of (a) \$250 multiplied by the number of non-highly compensated employees of the eligible employer who are eligible to participate in the plan or (b) \$5,000. The credit applies for up to three years and the credit is 50% of the taxpayer's ordinary and necessary eligible startup costs.

Human Interest is an affordable, full-service 401(k) provider that makes it easy for small and medium-sized businesses to help their employees save for retirement. Founded in 2015, Human Interest helps companies in all lines of work access retirement benefits and a path to financial independence. Headquartered in San Francisco, Human Interest has helped nearly 3,000 businesses across America to offer retirement accounts to their more than 80,000 employees. For more information please visit humaninterest.com.

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