

Sep IRA

A Sep IRA, " Self Employed Individual Retirement Account"....., is an alternative to the 401K Plans offered by larger corporations which allows small business entities to save for retirement. A Sep IRA is a qualified savings account, different from a bank savings account, where yearly gains grow tax deferred. A tax deferred savings account can enjoy substantial growth free of tax over a long period of time, during which wealth accumulation for retirement income occurs. When retirement begins, however, withdrawal amounts for income are then taxable as ordinary income. Freedom Financial Services strongly suggests that small business owners and their employees set up a Sep IRA to plan for their future retirement years. Contributions provided by the business on behalf of employees are tax deductible expenses for the business. Employees, who deduct contributions from their income, typically enjoy a lower effective tax rate on their individual 1040 tax returns.

Freedom Financial Services is happy to provide you more information and answer your questions regarding establishing a Sep IRA account that's right for you and your business. Just click on the Contact Us page to relay your interest. For example, one of our choice investment vehicles for a Sep IRA provides for a 8% bonus on all deposits transacted through the first 7 years. There are also optional guaranteed growth rates over a specified period of time that can provide for a lifetime income stream. Cash accumulation in this type of Sep IRA grows based on a variety of selected market indexes, which is referred to as..... "Index Strategy"....., wherein the principal amounts deposited and all previous year gains are locked-in and protected from future market declines. Below is an example illustration comparing the performance characteristics of the "Index Strategy" (in green) to stock market volatility (in red.) Monies in a Sep IRA using the "Index Strategy" grow based on the upside trend of market indexes and are protected from decline with a floor of zero return. Indeed, when there is a stock market decline, as shown in years 2 & 3, a zero gain is your hero! When the market recovers in future years, there will be a higher reset point established in the "Index Strategy" account for the upcoming year.



To learn more about how the "Index Strategy" in a Sep IRA savings account can work for you, just click on the Contact Us page of this website. If you are considering a transfer with an ongoing savings plan, we can show you exactly what your annual income stream will be at the retirement age of your choosing.