Why does an up-to-date retirement plan matter?

Business owners think differently about retirement than other executives. Your business-related assets and the savings you derive from your business will play a key role in your retirement strategy. Changes in the business environment, your company’s performance and prospects for the business’s future can all affect your ultimate retirement funding. Reviewing your personal finances on a regular basis, well before the transition point, helps ensure personal financial security and eliminates any financial surprises at retirement time.

Key actions to take:

- **Meet with your financial advisors regularly.** Draw on the expertise of your business and personal advisors. Start by sharing the best picture you have of your current plan and retirement goals. How long do you want to work? What does retirement look like for you? What do you want to do when you retire? Where will you want to live and what lifestyle will you want to have? Then, your CPA and attorney can assist in reviewing your existing financial and legal situation — both business and personal — to help you plan. Financial advisors can also provide suggestions on where to invest your funds to provide a mix of investments — including the value of your business — that best suits your plans.

- **Maximize your retirement plan contributions:** Take advantage of qualified retirement plans such as a 401(k), Simplified Employee Pension (SEP) and/or Savings Investment Match Plan for Employees (SIMPLE) IRA to reduce your tax bill and put more of your profits in the bank. Utilizing qualified retirement plans or creating a trust that transfers your business assets with lower taxes can save and shelter profits your business generates. As a business owner, you often have unique options to explore that may not be available to your employees and to non-business owners. Your financial advisors, including your CPA, should advise you here.

- **Generate greater cash flow:** Focusing on generating more cash flow for the business is a practical path to fund retirement programs. Your retirement plans may influence your business objectives to dovetail with your personal needs. You may find that increased income will be necessary now to more fully fund retirement plans, which can save you money for retirement and shelter income from taxes.
• **Develop your succession plan:** A good succession plan will allow you to pass your business on to family members, employees or a designated successor, while minimizing your tax consequences. With no succession plan in place, you risk increased estate taxes and squabbles amongst the various people who feel they have a stake in the business. Your financial and business advisors can help you design the best approach for your situation.

**How SunTrust can help**

Choosing the right solutions for your retirement takes a step towards a comfortable retirement for you and your family. Helping you plan your retirement is a top priority for SunTrust.

**SunTrust Investment Services Advisors** will help create a retirement roadmap as a guide to your goals, whether you’re near retirement or just starting out.

**SunTrust Wealth Management** offers the innovative thinking and professional advice to navigate the opportunities and challenges that come with managing your financial assets. Working with an advisor can help you link your personal needs and timing with your outflows from the business to ensure personal financial security as the business continues.

Click below for additional resources:

**Preparing to Let Go**
Plan an effective business transition.

**Four Steps to Prepare for Your Business Transition**
A smooth transition starts with thorough preparation.

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1 SunTrust conducted research with 532 small business owners ranging from $100,000 to $2,000,000 in annual revenue in the first quarter of 2018. The content is strictly educational in nature and is provided with the understanding that we (SunTrust and its affiliates) are NOT engaged in rendering accounting, investment, tax, legal, or other like services by publishing this content. We (SunTrust and its affiliates) specifically disclaim any liability, loss, or risk which is incurred as a consequence, directly or indirectly, of the use and application of any of the content.

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