

Resource Center

Paley Rothman shares this library of resources with clients and friends of the firm to help them stay ahead of legal and business developments and trends. Here, you will find helpful tips and tools written by our attorneys and relevant to our areas of practice. If you have any questions about the content available in the resource center, please contact us.

RETIREMENT PLANS FOR YOUR COMPANY

A profit sharing plan is the most flexible qualified retirement plan an employer can offer to its employees. Contributions are discretionary, and each year the employer can decide whether to make a contribution and, within certain parameters, in what amount. The most simple profit sharing plan allocates contributions among participants pro-rata, based on compensation. Using this “plain vanilla” contribution model, if owners or key employees of a business wanted to have a contribution of 20% of pay, then all other participants must also receive contributions equal to that same percentage.