

Retirement Plans for Small Businesses

As a small business owner or a sole proprietor, you have many more options when it comes to retirement plans compared to those of an employee. In addition to securing your future retirement, you can also receive the benefit of a business deduction for the retirement contributions made, and there are generally much higher contribution limits compared to traditional or Roth IRA accounts.

The following are a few of the most common retirement plans that are relatively easy to set up and maintain for small businesses:

Simplified Employee Pension (SEP) IRA

A SEP IRA plan is available for both sole proprietors and small business owners with any number of employees. The contribution is generally limited to the lesser of 25% of wages or self-employment income, or \$56,000 for 2019.

With the generous limit, a SEP plan is generally the easiest way to contribute the most funds into a retirement account. However, employers with non-owner employees need to take into

consideration the “non-discrimination” requirement when choosing a SEP plan.

If an owner chooses to make contributions for themselves, the business must also contribute to the SEP accounts for all employees based on the same percentage of compensation, if the other employees meet certain criteria. This non-discrimination clause requirement provides advantages for attracting potential talent, but it may also make the SEP plans quite costly for employers with significant compensation expenses to non-owner employees.

Savings Incentive Match Plan for Employees (SIMPLE) IRA

A SIMPLE IRA plan is only available to employers with 100 or fewer employees. Under a SIMPLE IRA plan, employees can contribute up to 100% of eligible compensation through salary deferral, not to exceed \$13,000 for 2019, with an additional \$3,000 catch-up contribution available for those who are 50 or older.

Unlike SEP plans where employers can make discretionary non-discriminatory contributions, SIMPLE IRA plan

employers must match employee deferral contributions based on either a) 100% match on the first 3% deferred (match may be reduced to 1% in 2 out of 5 years) or b) a 2% non-elective contribution on behalf of all eligible employees. Also, no additional employer contributions may be made.

If you are a small business owner who is seeking an option that provides your employees with the option to make pre-tax salary deferral contributions, SIMPLE IRA could be a good choice.

One-participant, or solo 401(k) Plan

A solo 401(k) plan is only available to sole proprietors and self-employed individuals with zero non-owner employees. It offers the most generous contribution limit. A solo 401(k) plan offers the largest possible contributions because contributions can be made as both an employee and as an employer. As an employee, you can make elective de-

ferrals of up to \$19,000 for 2019. As an employer, you can make a profit-sharing contribution of up to 25% of compensation, or up to a maximum of \$56,000 for 2019. For 2019, your total contributions as employer and employee cannot exceed \$56,000. For those who are age 50 or older, the limit increases to \$62,000.

The catch for the solo 401(k) plan is that unlike SEP and SIMPLE plans where there are no annual filing requirements, a solo-401(k) plan requires annual Form 5500 filing once the plan assets exceed \$250,000. Despite this additional filing requirement, you may still find this option most appealing if you are the only employee of your business and are aiming to maximize your annual contributions.

Source: *Falco Sult*, www.falcosult.com



NATIONAL ASSOCIATION NEWS

Benchmark the Performance of Your Organization Against Hundreds of Printing Companies



PIA’s Center for Print Economics and Management has opened access to the new, highly-anticipated Performance Ratios program. This program strays away from the static reports of the past and now touts an easy-to-use online dashboard that generates dynamic reports instantly.

The Performance Ratios include over 50 KPIs, such as operations, profitability, sales factors, balance sheet items, funding ratios, leverage ratios, liquidity and activity ratios, value-added analysis, payroll data, employee profiles, inventory turnover and billing cycles. Every KPI includes a detailed explanation specific to your organization, including:

- What the KPI means
- The formula used to calculate the KPI
- How your company compares to similar companies
- How your company compares to industry profit leaders
- Advice on what you can do to improve your business in relation to the KPI

The Performance Ratios will help you understand if your company is on the right track for success and the areas needing improvement.

Visit www.PerformanceRatios.com to sign up, schedule a demo, see pricing or receive additional information on the program.

BUSINESS & MANAGEMENT

Are Your Employees “All In” or Just Going through the Motions?

Imagine there are two printing companies serving the same market with similar facilities and nearly-identical equipment. Both pull from the same labor pool, have similar cost structures, etc. Company A is filled with people who are so disengaged they’re just doing the bare minimum to avoid being fired. Company B’s employees are so engaged that day after day they’re motivated to go “above and beyond” to ensure the company’s success.

Which company do you think is breaking sales records while the other is on a downward spiral? As this story illustrates, employee engagement matters.

What exactly is “Employee Engagement”?

Many people make the mistake of defining “employee engagement” as employee happiness. But as Marty Ramseck, Talent Optimization Advisor at PI Midlantic explains, “Employee engagement is not a measure of employee ‘happiness.’ It’s the emotional commitment that a person has to the organization. An engaged employee has a strong emotional commitment to do whatever they can do to ensure the organization’s success. While an employee who is unhappy is not likely to be an engaged, an employee who is happy may not be, either. They may simply be whistling a happy tune while going through the motions to get through their day!”

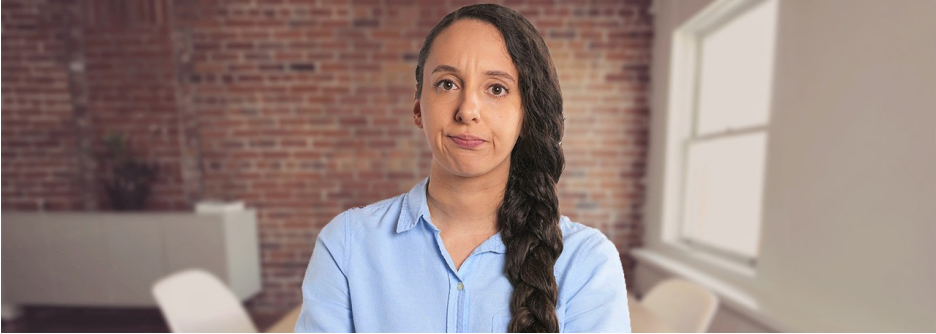
What blocks employee engagement?

As Marty explains, if your employees are not engaged, chances are they are experiencing one or more of the following four “engagement blockers”:

- Job Fit** – If I’m in the wrong job, not doing the things that I do best, I’m probably not going to be engaged.
- Manager** – If my manager is not working with me in my preferred way, I’m probably not going to be engaged. For example, perhaps I need freedom but he’s micro-managing, or I crave public recognition, but she only offers praise in private.
- Team** – I can’t feel vulnerable with my team. If I admit that I screwed something up and ask for help, I’m afraid they’ll “throw me under the bus.”
- Organizational Culture** – I don’t fit in to the organization’s culture. For example, the company runs day care centers for infants, and I’ve come to realize that I really don’t like babies. Or I’m a woman trying to fit into an “old boys’ club” type organization. There are many things that can cause issues with cultural fit.

What can you do about employee disengagement?

If your employees are not engaged, the first step is to diagnose the root of the problem.



Which of the above four “engagement blockers” are the culprit(s)? Is the person in the right job? Is it something to do with the manager? Etc.

Once you’ve identified the root cause, take steps to address it. Can you move this person to another job that plays to their strengths? Does their direct manager understand what they bring to the table and how best to work with them? Has this manager created a team culture based on mutual support and trust? Does your organizational culture allow people to make mistakes and then learn from them, or does it telegraph the expectation that everyone’s performance must be perfect at all times?

If the issue is a poor fit with your organization’s culture, this can be very hard to fix once the person has been brought on board. Unless, of course, the problem is the culture itself, not the employee/company match. Take a hard look at this. Does your company have a toxic culture that allows you to keep bad managers who treat employees poorly? Is diversity encouraged? Do you have such a strong focus on “results at all costs” that your managers are achieving results but causing very high turnover with their approach? If the problem is your organizational culture itself, then fixing this is paramount.

Conclusion

“Three out of 10 Americans are engaged at work,” says Marty. “This means that seven out of 10 are not. This disengagement is very expensive, in terms of lost productivity, high turn-over and more.

“Remember, engagement is a measure of emotional commitment to the organization, not happiness. An engaged employee is the one who says, ‘I’m supposed to leave at 5:00, but to get this done I’ll stay until 6:30.’ While happiness is certainly better for morale than unhappiness, it’s engagement that propels an organization to success.”

Source: *Marty Ramseck*, *PI Midlantic*, www.pimidlantic.com

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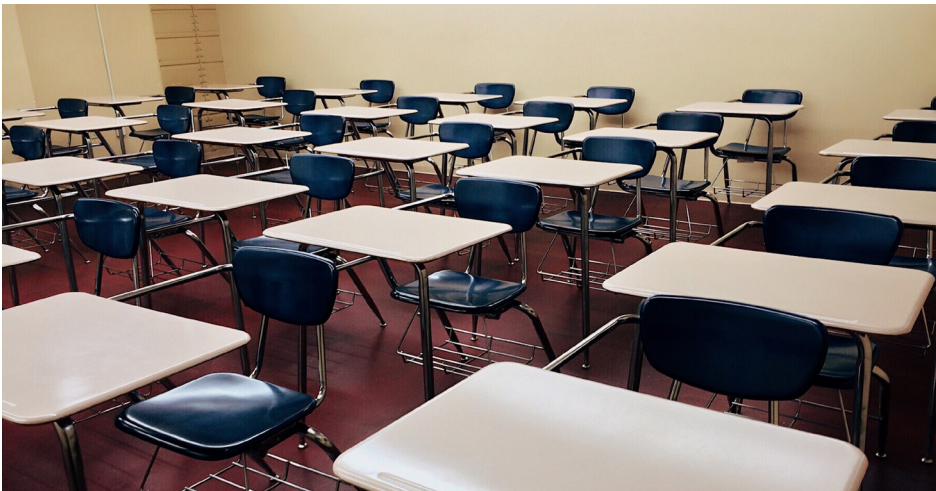
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HUMAN RESOURCES

Anti-Harassment Training Deadline Extended



Last year Governor Brown signed SB 1343 into law. Under SB 1343, employers with five or more employees must provide two hours of sexual harassment prevention training to supervisory employees, and one hour of this training for nonsupervisory employees, every two years.

Supervisors must receive this training within six months of becoming a supervisor, and non-supervisory employees must receive this training within six months of their hire date. The law also applies to temporary and seasonal employees.

The training must include harassment based on gender identity and sexual orientation, include practical examples of such harassment, and be provided by trainers or educators with knowledge and expertise in those areas.

The deadline for implementation of this training had originally been January 1, 2020. Now Governor Newson has signed SB 778, which pushes back this deadline to January 1, 2021 in all cases except the training of seasonal and temporary employees (i.e. those who are hired to work for less than six months). Starting January 1, 2020, these workers must be trained within 30 calendar days of their hire date or 100 hours worked, whichever comes first.

Action item: Wondering what your options are for compliance? See our previous article on this topic, at <http://bit.ly/ComplianceIssue>.

CONTACT US

Address:
5800 S. Eastern Avenue, Suite 400
Los Angeles, CA 90040

P.O. Box 910936
Los Angeles, CA 90091

Phone: 323.728.9500
www.piasc.org

Key Contacts
Lou Caron, President
Ext. 274, lou@piasc.org

Dennis Bernstein, Commercial Insurance
Ext. 222, dennis@piascins.com

Evie Bañaga, Employee Benefits
Ext. 224, evie@piasc.org

Kristy Villanueva, Member Services
Ext. 215, kristy@piasc.org

Cheryl Chong, Human Resources
Ext. 218, cheryl@piasc.org

Upcoming Events

The 11th Annual Los Angeles Printers Fair
October 19-20, 2019
10:00 am – 4:00 pm
International Printing Museum,
Carson

The Fair supports the non-profit International Printing Museum and its educational mission. Students, educators, enthusiasts, collectors, typophiles, bibliophiles, graphic designers, artists and professionals will enjoy the varied demonstrations and array of vendors. Activities running throughout the day:

To register and for more information visit www.printmuseum.org/event/2019-los-angeles-printers-fair.



Toy Drive & Ride
October 1 – November 29, 2019

If your company is looking to give back, think of the children of City of Hope.

This year, our goal is to put smiles on hundreds of children's faces. Make a difference this holiday season and participate in our Annual Toy Drive. Help us reach our goal by encouraging your staff to donate a gift. Once your company has reached 20 donations, PIASC will add your company logo to the events website page and promotional material as a sponsor.

PIASC will provide the participating companies with a decorated box for their donations.

To participate, contact Maribel Campos at 323.728.9500, Ext. 210 or maribel@piasc.org, or visit www.piasc.org/events.

Group Ride
December 7, 2019

You can also join the GROUP RIDE. All bikes are welcome! Saturday, December 7, 2019 is the Toy Distribution at City of Hope in Duarte, CA.

Starting Point:
GPA Surfacing Change, 16001 Arthur St, Cerritos, CA 90703

Check-in begins: 8:00 am

Ride to City of Hope: 9:15 am (Kick Stands Up)

Destination & Distribution of Gifts:
City of Hope, 1500 E. Duarte Rd, Duarte, CA 91010

Distribute Toys at 10:00 am



PIASC Events Calendar

OCT NOV

1-29

PIASC Annual Toy Drive
Donate between October 1 and November 29
www.piasc.org/toydrive/

Contact: Maribel Campos, Ext. 210,
maribel@piasc.org

OCT

16

WEBINAR: Do You Have the Proper SCAQMD Permits for Your Equipment?
2:00pm - 3:00pm
Online

Contact: Maribel Campos, Ext. 210,
maribel@piasc.org

OCT

19-20

The 11th Annual Los Angeles Printers Fair
10:00 am - 4:00 pm
The International Printing Museum, Torrance
Contact: fair@printmuseum.org

OCT

23-25

PRINTING United
Kay Bailey Hutchison Convention Center Dallas, TX
Register Now: printingunited.com

OCT

29

WEBINAR: Got a Forklift? What You Don't Know About Safety-Toed Shoes can Cost You!
11:00 am - 12:00 pm
Online

Contact: Maribel Campos, Ext. 210,
maribel@piasc.org

For full list of workshops and virtual classes, please visit www.piasc.org/training.