Paula Calimafde Featured in Project Invested Article

The article highlighted her recent panel at the US Chamber of Commerce.

Paula was a panelist at an event at the US Chamber of Commerce titled “Raising Retirement.” Project Invested summarized the proceedings, including Paula’s contributions.

From the article:
The panel addressed several issues facing small businesses in creating a retirement plan for their employees. Asked how large and small businesses differ when starting a retirement plan, Calimafde said that once small businesses begin to make a profit, many have to be “sold” on the idea of setting up a retirement plan for their employees, and explained the myriad advantages. Calimafde noted that many small business owners are put off by high costs, administrative duties like distributing notices, and fear of being audited by the Internal Revenue Service (IRS) or DOL. Asked what issues small businesses face once they have established a plan, de Cervens referenced the same concerns: cost, administrative complexity, and legal liability, adding that multiple employer plans (MEPs) address many of these concerns. de Cervens continued that MEPs allow small businesses to set up a plan together, spread the cost among all employers, and hand over the administrative and fiduciary duties to a professional. de Cervens added that H.R. 5282 could help expand the use of MEPs by removing the current requirement that the businesses involved in a MEP share a “common interest.” Davidson added that while MEPs can help improve access and coverage, to truly lower costs the system needs to do away with individual testing.

Calimafde also addressed stretch individual retirement accounts (IRAs), stating that there is a misconception that benefits can continually pass down through generations, clarifying that benefits can only be passed down to one beneficiary after a spouse. Calimafde warned that changing stretch IRAs could shift retirement savings strategies, explaining that currently there is no way to “over save” in your retirement plan, because you can pass the excess down to a beneficiary. If that option is limited, she said, financial professionals may have to advise clients that they have saved enough after a certain threshold, and recommend other savings vehicles, which could cause a “severe curtailment” in retirement plans.

To see the full article, visit Project Invested. Paula is chair of the firm’s Retirement Plans, Employee Benefits and Government Relations practice groups and is also a senior member of the Estate Planning, Tax and Nonprofit groups

© 2024 – All Rights Reserved