PALEY ROTHMAN
ATTORNEYS AT LAW

The State of Small Business Retirement Plans: 25 Years After ERISA

Small businesses are a dynamic and vibrant force in today's United States economy.

According to the Small Business Administration (SBA), in 1997 small businesses represented over 99% of all employers, created nearly all of the new net jobs and accounted for 51% of the private sector workforce.

Yet, it is estimated that less than half of the employees working for a small business have access to a retirement plan, and as the size of the business decreases, the coverage figures decrease correspondingly. It is estimated that only 19% of employees working for firms with less than 25 employees are covered by a retirement plan and only 48% of employees working for firms with between 25 and 99 people are covered by a retirement plan. This is compared to 84% of employees working for employers with over 100 people.

Thus, a worst-case analysis would reflect that roughly one quarter of the private sector workforce in the United States has little or no access to a company-sponsored retirement plan and may be overly dependent on Social Security for their retirement security. This is of real concern inasmuch as it is becoming increasingly clear that Social Security will not be adequate to fund the type of retirement most baby boomers envision.

...

DOWNLOAD FULL ARTICLE >

© 2024 – All Rights Reserved | 4800 Hampden Lane, 6th Floor, Bethesda, MD 20814-2930 | 301-656-7603 | 301-654-7354 fax www.paleyrothman.com