A DE BEDOUT CPA GUIDE · 2026 EDITION

Retirement Planning for Business Owners

Building wealth for tomorrow while reducing taxes today.

A boutique Miami CPA firm · English · Español · Português

THE OPPORTUNITY

Success creates a different kind of tax problem.

During the early years of a business, the goal is usually simple: generate enough revenue to stay in business. As the company grows, the conversation changes. Instead of asking how to increase income, owners begin asking how to keep more of what they earn.

That is often the point where retirement planning becomes one of the most valuable tax strategies available. Many successful business owners are surprised to learn they have outgrown the retirement plan they opened years ago. A SEP-IRA or Solo 401(k) may have been the right choice when profits were modest. It may no longer be the most efficient option today.

The objective is not simply to save for retirement. It is to decide how much income should remain taxable today and how much can be shifted into long-term, tax-advantaged savings. When designed correctly, a retirement plan can lower your current tax bill while building assets that continue growing for decades.

> ### Where most owners stop
> *Many business owners contribute the maximum to a SEP-IRA and assume they have exhausted every option. In reality, that is often only the beginning. For owners with consistently strong profits, more sophisticated plans may allow substantially larger deductible contributions. The challenge is knowing when those additional layers make sense — more complexity is not always better.*

THE RETIREMENT LADDER

Four steps, matched to your business

1

STEP ONE

IRA

For many professionals just beginning to build wealth, a Traditional or Roth IRA provides an excellent starting point. Contribution limits are relatively modest, but the simplicity makes them appropriate for many individuals with earned income.

2

STEP TWO

SEP-IRA or Solo 401(k)

Once self-employment income increases, these plans become the foundation for many business owners. They remain inexpensive to administer while allowing substantially larger contributions than a traditional IRA. For many entrepreneurs, this is exactly where retirement planning should stop — there is no prize for having the most complicated retirement plan.

3

STEP THREE

401(k) with Profit Sharing

Businesses with employees often benefit from moving beyond a basic SEP structure. Profit-sharing provisions introduce additional flexibility while creating opportunities to increase owner contributions within IRS guidelines. They also provide a stronger long-term benefit program for employees.

4

STEP FOUR

Cash Balance & Defined Benefit Plans

This is where planning becomes much more personalized. Owners with high and predictable earnings may be able to contribute several hundred thousand dollars annually into qualified retirement plans. These strategies are not appropriate for every business — they require actuarial calculations, annual administration, and a long-term commitment. For the right company, however, the tax savings alone can justify the additional complexity.

BEFORE MAKING A RECOMMENDATION

The questions we ask first

Every retirement plan begins with numbers, but the recommendation depends on much more than income alone. Among the questions we typically discuss are:

- Are your profits relatively stable from year to year?
- Do you expect to continue operating the business for many years?
- Do you have employees?
- How close are you to retirement?
- Are you trying to maximize deductions, build long-term wealth, or both?
- How much flexibility do you want if business conditions change?

The answers often point toward very different solutions.

A common misconception

Many owners believe the largest possible deduction automatically means the best retirement plan. Not necessarily. Some plans require ongoing contributions. Others involve annual actuarial costs. Some become difficult to unwind if profits decline. A retirement strategy should support your business, not become another obligation that limits your flexibility.

WHAT WAITING CAN COST

One year rarely changes everything. Ten years often do.

Business owners sometimes spend enormous effort reducing taxes through small deductions while overlooking opportunities to defer substantially larger amounts through retirement planning. Those missed opportunities compound quietly — not only in tax savings, but in decades of investment growth that can never be recovered once the contribution deadline passes.

One of our favorite conversations

One of the most satisfying meetings we have with clients happens after their business has reached a new level of profitability. Instead of focusing exclusively on how much tax they owe, we begin talking about how much wealth they can keep. Retirement planning is not simply about preparing for the future — it is about making today’s success work harder for tomorrow.

Has your business outgrown its retirement plan?

The right answer depends on your specific facts, not a rule of thumb. We map it out for your situation before you commit. Your first consultation is complimentary.

Book a consultation   debedoutcpa.com

This guide is general information, not tax or legal advice. Contribution limits and plan rules change annually; the right plan depends on your specific facts. Tax law changes and figures reflect 2026 federal rules. Please talk with us — and where appropriate, an attorney — before acting.