



## Using Your Retirement Funds to Start a Business: The ROBS Plan Advantage

Starting your own business is a dream for many, but the financing often poses a significant hurdle. Did you know you can leverage your retirement funds—such as an IRA or 401(k)—to invest in your business? The **ROBS Plan** provides a unique opportunity to access these funds tax-deferred and penalty-free, enabling you to start your business with available cash and potentially avoid taking out loans.

Here's how the ROBS Plan works and why it's a game-changer for aspiring business owners.

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### What Is a ROBS Plan?

The ROBS Plan is a “Qualified Retirement Plan” that meets IRS requirements and provides tax benefits. It's designed to work seamlessly with your new business by establishing a retirement plan sponsored by your corporation. This plan becomes a shareholder in your company, allowing you to access funds directly.

Unlike loans, the ROBS Plan allows you to start your business debt-free, which reduces overhead costs and increases your financial flexibility during the critical early stages.

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### Retirement Plans That Qualify for the ROBS Plan

The ROBS Plan supports a variety of retirement accounts, including:

- 401(k) Plans
- IRAs
- 403(b) Plans
- SEPs
- SIMPLE Plans
- Defined Benefit Plans

- And more

If you're unsure whether your plan qualifies, a ROBS Plan specialist can help evaluate your options.

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### How Does the ROBS Plan Work?

1. **Setting Up a Corporation**

A new C-Corporation is established for your business, ensuring it's structured to comply with IRS requirements.

2. **Creating a Retirement Plan**

A new qualified retirement plan is created, tailored to your business's current needs and long-term growth goals.

3. **Rolling Over Funds**

Your existing retirement funds are rolled over into the new plan without penalties or taxes. As the plan trustee, you control how these funds are invested.

4. **Capitalizing Your Business**

The retirement plan purchases stock in your new corporation, providing cash for legitimate business expenses such as franchise fees, payroll, marketing, and rent.

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### Example: ROBS Plan vs. Traditional Distribution

Let's say you have \$250,000 in retirement savings and need \$150,000 to start your business:

Option	ROBS Plan	Traditional Distribution
Taxes & Penalties	\$0	\$52,500
Cash Available	\$150,000	\$97,500

By using the ROBS Plan, you retain more capital for your business while avoiding hefty tax and penalty costs.

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### Additional Benefits

- **Debt-Free Start:** Avoid loans and interest payments.
  - **Tax Advantages:** Maintain tax-deferred status on your retirement funds.
  - **Employee Benefits:** Offer retirement plans with pre-tax contributions, attracting and retaining quality employees.
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### Real Experiences with the ROBS Plan

*"If you're going to finance your business with retirement funds, the ROBS Plan is the best way to navigate tricky IRS regulations. The cost is incredibly low compared to handling it yourself." — Iain R.*

*"The ROBS Plan process was professional and made the process fast and easy. I'd recommend it to anyone looking to finance their franchise or business." — Calvin M.*

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### Ready to Start Your Business Debt-Free?

With the ROBS Plan, you can unlock the potential of your retirement funds to build the business of your dreams without tax penalties or loans. The process is streamlined, taking as little as 15–20 business days.