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By: Madvine Financial Content via News | Top US PR News

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Self-Employed 401(k) Loan Feature Increasingly Helping Thousands of Sole Proprietors Start New Businesses Each Year, According to IRA Financial Group Tax Partner

Self-employed 401(k) Plan \$50,000 loan feature allowing small business owners to fund their new business without seeking high interest rate loan options.

New York, NY (PRWEB) July 07, 2014

IRA Financial Group, the leading provider of **self-employed 401(k)** plans for sole proprietors and small business owners, has seen a growing number of small business owners and franchisors using the Self-employed solo 401K loan feature as a vehicle to help finance their new or existing business. "With IRA Financial Group self-directed **self-employed 401(k) Plan** business financing solution, a self-employed individual can use up to \$50,000 of their retirements to finance or fund their business without tax or penalty," stated Adam Bergman, a tax partner with the IRA Financial Group.

Internal Revenue Code Section 72(p) allows a self-employed 401(k) Plan or ERISA 401(k) plan participant to take a loan from his or her 401(k) Plan so as long as it is permitted pursuant to the business's 401(k) Plan documents.

A self-employed 401k loan is permitted at any time using the accumulated balance of the 401k as collateral for the loan. A self-employed 401(k) participant can borrow up to either \$50,000 or 50% of their account value - whichever is less. This loan has to be repaid over an amortization schedule of 5 years or less with payment frequency no less than quarterly. The lowest interest rate that can be used is Prime as per the Wall Street Journal, which is currently 3.25%.

According to Mr. Bergman, "With IRA Financial Group's self-employed 401K plan business financing loan feature, an entrepreneur who is self-employed individual or small business owner with no employees can borrow up to \$50,000 tax-free and penalty free and use the funds to start a new business or finance an existing one." There are no penalties or taxes due provided loan payments are paid on time.

"The self-employed 401(k) Plan loan is the only tax-free and penalty free way a self-employed individual or small business owner with no employees can use their IRA or 401(k) Plan retirement funds to finance or fund their business," stated Mr. Bergman

The IRA Financial Group was founded by a group of top law firm tax and ERISA lawyers who have worked at some of the largest law firms in the United States, such as White & Case LLP, Dewey & LeBoeuf LLP, and Thelen LLP.

IRA Financial Group is the leading provider of Solo 401(k) Plan solutions. IRA Financial Group has helped thousands of clients take back control over their retirement funds while gaining the ability to invest in almost

any type of investment, including real estate and private business investments without custodian consent.

To learn more about the IRA Financial Group please visit our website at <http://www.irafinancialgroup.com> or call 800-472-0646.

For the original version on PRWeb visit: <http://www.prweb.com/releases/self-employed-401k-plan-loan-solo-401k-50000/prweb11993592.htm>

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