



# RETIREMENT PLAN COMPARISON

	SEP IRA	SIMPLE IRA	401(k)	TRADITIONAL/ROTH IRA
<b>Eligible Employers</b>	Businesses of any size and structure	Businesses with no more than 100 employees receiving at least \$5,000 in compensation during the previous year and no other retirement plan in the year the plan is established	Businesses of any size and structure (excluding government entities)	No employers, individuals only
<b>When To Establish Plan</b>	Employer's tax-filing deadline, including extensions	No later than Oct 1 each calendar year, with accounts set up in time to receive the first contributions	No later than the fiscal plan year-end (including receipt of first contributions)	April 15 of the following year
<b>Eligibility Requirements</b>	Exclusion options: <ul style="list-style-type: none"> <li>• Employees under age 21</li> <li>• Employees earning less than \$550</li> <li>• Employees not employed three out of the five preceding years</li> </ul>	Maximum eligibility requirements: <ul style="list-style-type: none"> <li>• Employees earning at least \$5,000 in the two preceding calendar years</li> <li>• Reasonably expected to earn \$5,000 for the current calendar year</li> </ul>	Exclusion options: <ul style="list-style-type: none"> <li>• Employees under age 21</li> <li>• Employees with less than one year of service for salary-deferral contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Individual must have earned income during the year, income limits are imposed that phase-out income tax deductions</li> <li>• Spousal contributions permitted</li> </ul>
<b>Employer Contributions</b>	Discretionary up to 25% of the total eligible participants' compensation (not to exceed IRS limit)	Employer matching (100% match up to 3% of compensation) OR Employer nonelective (2% of eligible compensation to each eligible employee)	Discretionary matching, nonelective and profit-sharing (total contribution cannot exceed IRA limit)	None Allowed
<b>Employee/Participant Contributions</b>	None Allowed	Subject to IRS limit + catch up contribution for participants over age 50	Subject to IRS limit (can include ROTH) + catch up contribution for participants over age 50	Subject to IRS limit + catch up contribution for participants over age 50
<b>Contribution Deadline</b>	Employer's tax-filing deadline, including extensions	<ul style="list-style-type: none"> <li>• Employee salary deferrals (no later than the 30th day after the month withheld from payroll)</li> <li>• Employer contributions (by employer's tax-filing deadline, including extensions)</li> </ul>	<ul style="list-style-type: none"> <li>• Employee salary deferrals (as soon as administratively feasible, but no later than the 15th day after the month withheld from payroll)</li> <li>• Employer contributions (by employer's tax-filing deadline, including extensions)</li> </ul>	April 15 of the following year
<b>Plan Compliance</b>	Non-ERISA plan (No discrimination testing or plan document required)	Non-ERISA plan (No discrimination testing or plan document required)	ERISA-covered plan (discrimination testing and plan document required)	Non-ERISA plan (No discrimination testing or plan document required)
<b>Loans</b>	Not Allowed	Not Allowed	1/2 of vested value not to exceed \$50,000	Not allowed
<b>Vesting</b>	Full & Immediate	Full & Immediate	Employer selects vesting schedule (max 6 years)	Full & Immediate
<b>Distributions Before Age 59 1/2</b>	10% tax penalty if no qualifying reason	10% tax penalty if no qualifying reason + additional 25% tax penalty if distribution in first 2 years	10% tax penalty if no qualifying reason (No penalty if over age 55 and separated from service)	10% tax penalty if no qualifying reason



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