



## Small business retirement plans

Plan Features	SEP-IRA	Individual 401k	SIMPLE IRA	Small Business 401k	Profit Sharing
<b>Who is it for?</b>	For self-employed individuals and business owners who wish to make contributions for employees at a low administrative cost	For one person business owners who want to make the highest contribution possible (for themselves and a working spouse)	A low-cost, easy-to-administer plan for businesses with up to 100 employees or for self-employed individuals	Generally, for employers with fewer than 1,000 employees who wish to offer a cost-effective 401(k) plan	For businesses with up to 100 employees or for self-employed individuals
<b>Key benefits</b>	Easy and inexpensive to set up and maintain	Allows for the highest contributions in many cases	Salary deferral plan with both employee and employer contributions	Retirement plan with both employee and employer contributions, allowing sponsor and participant to maximize tax deductions and tax-deferred savings	Tax-Deductible contributions as the employer. Tax-deferred growth potential
	<b>Employer Contributions</b> 25% of compensation** OR \$54,000, whichever is less for tax year 2017. \$55,000, whichever is less	<b>Salary Deferrals</b> 100% of compensation** up to \$18,000 in 2017 and \$24,000 if age 50 or older. Up to \$18,500 in 2018 and \$24,500 if age 50 or older. <b>Employer</b>	<b>Salary Deferrals</b> Up to \$12,500 in 2017 and \$15,500 if age 50 or older. <b>Employer Matching</b> Dollar-for-dollar match of salary deferrals, up to	<b>Salary Deferrals</b> Up to \$18,000 for 2017 and \$24,000 if age 50 or older. Up to \$18,500 for 2018 and \$24,500 if age 50 or older.	<b>Employer Contributions</b> 25% of compensation* OR \$54,000, whichever is less for tax year 2017 and \$60,000 if age 50 or older. \$55,000,

	for tax year 2018.	<p><b>Contributions</b> Up to 25% of compensation.**</p> <p>Salary deferrals plus employer contributions may not exceed \$54,000 for tax year 2017 and \$60,000 if age 50 or older. \$55,000 for tax year 2018 and \$61,000 if age 50 or older.</p> <p>Contributions are allowed for business owner and their working spouse</p>	<p>3% of a participant's compensation (can reduce to 1% in any two out of five years)</p> <p><b>OR</b></p> <p><b>Employer Nonelective</b> 2% of each eligible employee's compensation (even if employee is not making deferral contribution)</p>	<p><b>Employer Contributions</b> In conjunction with salary deferrals, not to exceed \$54,000 per participant in 2017 and \$60,000 if age 50 or older.</p> <p>In conjunction with salary deferrals, not to exceed \$55,000 per participant in 2018 and \$61,000 if age 50 or older.</p>	whichever is less for tax year 2018 and \$61,000 if age 50 or older.
<b>What are the employee's options?</b>	Employer decides if contributions will be made year to year	Employee decides whether to make pretax (and, if permitted, Roth after-tax) salary deferral contributions	Employee can decide how much to contribute; employer must also make contributions	Employee can decide how much to contribute; variety of options for structure of employer contributions	Employer decides if contributions will be made year to year
<b>May employees contribute?</b>	No	Yes	Yes	Yes	No
<b>Is the plan subject to a vesting schedule?</b>	N/A	No	N/A	Optional for the employer	Optional for the employer
<b>What are the annual fees?</b>	No annual fees, no establishment fees	Varies depending on service structure and plan economics	No annual fees, no establishment fees	Varies depending on service structure and plan economics	Varies depending on service structure and plan economics

<b>What are the IRS filing requirements?</b>	Generally, none	May require annual IRS Form 5500	None	IRS Form 5500 Discrimination testing, Participant Disclosure	IRS Form 5500 Discrimination testing, Participant Disclosure
<b>Is the plan qualified?</b>	No, IRA based	Yes (defined contribution)	No, IRA based	Yes	Yes
<b>What plan eligibility requirements can the employer choose to set?</b>	<b>Age:</b> no more than 21  <b>Earnings:</b> \$600 in 2015-2018  <b>Years of Service:</b> employed by the current employer in up to three of the past five years	<b>Age:</b> no more than 21  <b>Earnings:</b> no restriction allowed  <b>Years of Service:</b> no more than one year	<b>Age:</b> no restriction allowed  <b>Earnings:</b> not to exceed \$5,000  <b>Years of Service:</b> no more than two years	Various options generally based on age and service	Various options generally based on age and service
<b>What is the plan setup deadline?</b>	Your company's tax filing deadline (including extensions)	By the end of the initial plan year, generally December 31	Generally, anytime prior to October 1 of each calendar year (for existing employers)	By the end of the initial plan year, generally December 31	By the end of the initial plan year, generally December 31
<b>May I still contribute to an IRA?</b>	Yes	Yes	Yes	Yes	Yes

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