Summary Comparison of Retirement Plans (2017 limitations included herein; subject to change annually)

The Retirement Group llc

Question/Topic	Individual(k)	SEP/IRA	SIMPLE 401(k)	Profit Sharing	Money Purchase	401(k)	Cash Balance-Defined Benefit	Traditional Defined Benefit	Roth IRA	Traditional IRA	SIMPLE IRA	403(b) Non-ERISA Title I Plans with Only Salary Deferral Contributions	403(b) ERISA Title I Plans with Employee Contributions
Who Can Establish?	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships-"Owner(s) Only," Partnerships, LLCs, Businesses with "Excludable" Common-Law Employees	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Partnerships, Non-Profit (not eligible for salary deferral)	Employers with no more than 100 employees, including sole proprietors and non-profit entities (cannot maintain another qualified plan)	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Partnerships, Non-Profit	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Partnerships, Non-Profit	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Partnerships, Non-Profit	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Partnerships, Non-Profit	Corporations, Sub-Chapter S, Self-Employed, Sole Proprietorships, Partnerships, Non-Profit	Individual with earned income.	Individual with earned income.	Employers with 100 or fewer employees who earned $5,000 or more during prior calendar year (cannot maintain another retirement plan).	Non-profit organizations exempt under IRC Section 501(c)(3) (e.g., churches, hospitals and schools).	Non-profit organizations exempt under IRC Section 501(c)(3) (e.g., churches, hospitals and schools).
Maximum Eligibility Requirements	1 year of service with employer. 1,000 hours per year. At least 21 years of age.	Worked for employer during any period of three of the last immediately preceding five years; however short. At least 21 years of age. $6000 annual compensation.	Employees must be 21 and have one year of service (typically 1,000 hours).	2 years of service with employer (typically, 1,000 hours per year) with immediate vesting. At least 21 years of age.	2 years of service with employer (typically, 1,000 hours per year) with immediate vesting. At least 21 years of age.	1 years of service for employee salary deferral. 2 years of service for Profit Sharing contribution with full & immediate vesting. 1,000 hours per year. At least 21 years of age.	2 years of service with immediate vesting. 1,000 hours per year. At least 21 years of age.	2 years of service with immediate vesting. 1,000 hours per year. At least 21 years of age.	Must have modified adjusted gross income of <$131,000 for single filers and <$193,000 for joint filers.	Must have earned income and be under the age of 70 1/2.	$5,000 in compensation for any two preceding years and is expected to earn $5,000 in current years	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).	The option to participate generally must be offered to all eligible employees (except certain student employees and employees who work less than 20 hours per week).
Contribution Limits-Employer	The employer's current-year deduction is limited 25% of compensation paid to eligible participants. Allocation limited to lesser of 100% of Comp. or $54,000 per participant. ($270,000 salary cap).	25% of each employee's compensation (maximum $54,000). ($270000 salary cap)	Match deferrals $1 for $1 up to the first 3% of compensation (max match $7,950) or of 2% non-elective contribution for all eligible employees ($270,000 salary cap)	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or $54,000 per participant ($270,000 salary cap)	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or $54,000 per participant ($270,000 salary cap)	The employer's current year deduction is limited to 25% of compensation paid to all eligible participants. Allocation limited to lesser of 100% of Comp. or $54,000 per participant ($270,000 salary cap)	Based on actuarial assumptions, i.e. age, compensation, etc. ($215,000) Annual Benefit Cap) $270,000 salary cap.	Based on actuarial assumptions, i.e. age, compensation, etc. ($215,000) Annual Benefit Cap) $270,000 salary cap.	N/A	N/A	Match deferral $1 for $1 up to 3% of compensation or 2% nonelective contributions for all eligible employees ($270,000 salary cap).	Not Applicable	The employer's contributions (including elective deferrals) to an employee's account should not be more than the lesser of $54,000 or 100% of the employee's compensation for the year. ($270,000 salary cap.)
Contribution Limits-Individual	$18,000 salary deferral limit under IRC Section 402(g)	Not Applicable	$12,500 salary deferral limit under IRC Section 408(p)	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	$18,000 salary deferral limit under IRC Section 402(g)	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	No elective deferrals. After tax voluntary employee contributions may be allowed in accordance with the plan provisions.	100% of earned income up to $5,500 per individual to all IRAs	100% of earned income up to $5,500 per individual to all IRAs	100% of earned income up to $12,500	100% of compensation or $18,000, whichever is less. Special catch-up provisions may increase the contribution limit.	100% of compensation or $18,000, whichever is less. Special catch-up provisions may increase the contribution limit.
Catch-up Contributions For Workers Age 50 and Older	$6,000	Not Applicable	$3,000	N/A	N/A	$6,000	Not Available	Not Available	$1,000	$1,000	$3,000	$6,000	$6,000
Roth Contribution Allowed	Yes[1]	No	Yes[1]	No	No	Yes[1]	No	No	Yes	No	No	Yes[1]	Yes[1]
When Must the Plan Be Established?	By fiscal year-end (12/31 for calendar-year plan).	By tax-filing date plus extensions	Oct. 1 for existing businesses. As soon as administratively feasible for businesses established after October 1.	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By fiscal year-end (12/31 for calendar-year plan).	By tax filing date, but not including extensions.	By tax filing date, but not including extensions.	Oct. 1 for existing businesses. As soon as administratively feasible for businesses established after Oct. 1.	The plan may be established any time during the calendar year.	The plan may be established any time during the calendar year.
Who Directs Investments?	Individual	Individual	Employer/trustee or plan may allow individual direction.	Employer/trustee or plan may allow individual direction.	Employer/trustee or plan may allow individual direction.	Employer/trustee or plan may allow individual direction.	Employer/Trustee	Employer/Trustee	Individual	Individual	Individual	Individual	Employee/Trustee or plan may allow individual direction.
Are Loans Available?	Loans optionally available	No	Loans optionally available	Loans optionally available	Loans optionally available	Loans optionally available	Loans optionally available	Loans optionally available	No	No	No	Loan optionally available.	Loan optionally available.
Vesting	Full & Immediate	Full & Immediate	Full & Immediate	3 employer vesting schedules: immediate, cliff, graded	3 employer vesting schedules: immediate, cliff, graded	3 employer vesting schedules: immediate, cliff, graded & immediate for employee deferrals	3 employer vesting schedules: immediate, cliff, graded (maximum - 3 years)	3 employer vesting schedules: immediate, cliff, graded (maximum - 3 years)	Full & Immediate	Full & Immediate	Full & Immediate	Full & Immediate	3 vesting schedules: immediate, cliff, graded; full & immediate for employee deferrals.
Distributions Before Age 59 1/2	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death or disability. Distributions are only allowed upon occurrence of a triggering event. (See "Eligible Rollovers").	10% tax penalty unless utilizing substantially equal payments, death, disability, medical expenses exceeding 7.5% of AGI or purchase of health insurance while employed	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death, disability. Distributions are only allowed upon occurrence of a triggering event. (See "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death, disability. Distributions may be allowed in accordance with plan provisions, after a fixed number of years, reaching a stated age, or a distributable event.	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death, disability. Distributions may be allowed in accordance with plan provisions, after a fixed number of years, reaching a stated age, or a distributable event.	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death, disability. Distributions are only allowed upon occurrence of a triggering event. (See "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death, disability. Distributions are only allowed upon occurrence of a triggering event. (See "Eligible Rollovers").	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner), death, disability. Distributions are only allowed upon occurrence of a triggering event. (See "Eligible Rollovers").	10% tax penalty on earnings unless withdrawal is for death, disability, first-time homebuyer ($10,000 limit in aggregate to all IRAs); substantially equal periodic payments; certain major medical expenses; certain long-term unemployment expenses.	10% tax penalty unless the distribution is because of death, disability, a qualifying rollover; a direct transfer, the timely withdrawal of an excess contribution, certain qualified medical or educational expenses and first time home purchase ($10,000 limit in aggregate to all IRAs). Waived if the distribution is part of a series of substantially equal periodic payments made over the individual's life expectancy.	10% tax penalty unless the distribution is because of death, disability, a qualifying rollover; a direct transfer, the timely withdrawal of an excess contribution, certain qualified medical or educational expenses and first time home purchase ($10,000 limit in aggregate to all IRAs). Waived if the distribution is part of a series of substantially equal periodic payments made over the individual's life expectancy.	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner) or death or disability. Distributions are only allowed upon the occurrence of a triggering event. (See "Eligible Rollovers".)	10% tax penalty unless over 55 and separated from service (except if self-employed or more than 10% owner) or death or disability. Distributions are only allowed upon the occurrence of a triggering event. (See "Eligible Rollovers".)
Distributions For Ages 59 1/2 - 70 1/2	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty for qualified distributions.[2]	No Tax Penalty	No Tax Penalty	No Tax Penalty	No Tax Penalty
Distributions After Age 70 1/2	Required minimum distributions at the age 70 1/2 or separation of service (70 1/2 if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions. May remove aggregate total from one account.	Required minimum distributions at the later age of 70% or separations of service. (70% if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70% or separations of service. (70% if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70% or separations of service. (70% if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70% or separations of service. (70% if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70% or separations of service. (70% if 5% owner). May not aggregate total. Each plan separate.	Required minimum distributions at the later age of 70% or separations of service. (70% if 5% owner). May not aggregate total. Each plan separate.	No Required minimum distribution at any age.	Required minimum distributions as late as April 1 following the year in which the individual reaches age 70 1/2.	Required minimum distributions as late as April 1 following the year in which the individual reaches age 70 1/2.	Required minimum distributions by April 1 of the calendar year in which the participant becomes age 70 1/2 or the calendar year in which he or she retires.	Required minimum distributions by April 1 of the calendar year in which the participant becomes age 70 1/2 or the calendar year in which he or she retires.
How Are Distributions Taxed?	Traditional account - taxed as ordinary income. Roth account - tax free.	Taxed as ordinary income.	Traditional account - taxed as ordinary income. Roth account - tax free.	Taxed as ordinary income.	Taxed as ordinary income.	Traditional account - taxed as ordinary income. Roth account - tax free.	Taxed as ordinary income.	Taxed as ordinary income.	Tax-free.	Taxed as ordinary income	Taxed as ordinary income	Traditional account - taxed as ordinary income. Roth account - tax free.	Traditional account - taxed as ordinary income. Roth account - tax free.
Eligible Rollovers	Must have triggering event (e.g., plan termination, death, separation from service,disability or age 59 1/2).	One 60-day rollover per 12-month period. Reported as distribution and returned as a rollover contribution.	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59 1/2).	May be allowed in accordance with the plan provisions, after a fixed number of years, reaching a stated age, or a distributable event.	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 62).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 59 1/2).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 62).	Must have triggering event (e.g., plan termination, death, separation from service, disability or age 62).	Roth IRA to Roth IRA - rules follow the Traditional IRA rollover rules.	Traditional IRA to Traditional IRA. Traditional IRA to Roth IRA; pre-tax dollars are taxed as ordinary income.	Only from SIMPLE IRA to another SIMPLE IRA, 403(b) Plan, 457 Governmental Plan, SEP/IRA, Roth IRA, or Qualified Plan and Traditional IRA after 2 yrs of participation.	Must have triggering event (e.g., death, separation from service, disability or age 59 1/2)	Must have triggering event (e.g., death, separation from service, disability or age 59 1/2)
Portability: Rollovers Among Plans	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Roth IRA	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan* • SIMPLE IRA • 403(b) Plan* • SEP/IRA* • IRA* • Roth IRA[3,]* • 457 Governmental Plan* * Only after the individual has participated in the SIMPLE PLAN for 2 years.	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[3]	• Qualified Plan • 403(b) Plan • 457 Governmental Plan • SEP/IRA • IRA • Roth IRA[1]
Advantages	Generous contribution limits. Contribution flexibility. Immediate vesting. Simplified plan administration. No annual Dept. of Labor 5500 reporting of plans below $250,000 of assets. Access to loans. Asset consolidation.	Simple to establish and maintain. No annual 5500 filing requirements. Contributions deductible to employer.	Contributions deductible to employer. No discrimination testing. Not subject to top heavy rules. Some funding responsibility with employees.	Contributions discretionary. Flexibility in plan design. Loans may be allowed. Contribution plan expenses may be deductible to employer. Vesting schedules.	Contributions fixed and deductible to employer. Vesting schedules.	Flexibility in plan design. Loans may be allowed. Contributions deductible to employer. Funding responsibility with employees. Deferred amount reduces employee's taxable income. Vesting schedules.	Contributions levels may be substantially high than other types of retirement plans. Retirement benefits are easier to understand for employees.	Contributions levels may be substantially high than other types of retirement plans. Favors older, highly compensated employees. Vesting schedules.	Tax-free distribution.	Tax-deferred growth.	Employer - Contributions are deductible. Employee - Tax deferral reduces taxable income.	Deferred amount reduces employee's taxable income. Special elections may further increase the amounts an employee can defer. Earnings are tax-deferred. Contribution limits are greater than IRAs. Loans may be allowed. Final Pay Plan[4]	Deferred amount reduces employee's taxable income. Special elections may further increase the amounts an employee can defer. Earnings are tax-deferred. Contribution limits are greater than IRAs. Loans may be allowed.

1 This is a design option that may or may not permit. 2 A Distribution to qualified if the distribution is made no earlier than 5 years after contributions were made to the Roth account and one of the following events occurs: attainment of 59 1/2 or older, death or disability in these cases, the earnings withdrawn are tax-free. 3 The pre-tax amount of the rollover is taxable in which the rollover occures. 4 When an employee separates from employment, he or she may be due to receive a cash lump payment for unused vacation, personal or sick leave. If those funds are paid out, the client would owe current federal and state taxes on the amount paid (unless the employee elects to contribute all or portion of the amount into the 403(B) Plan). Instead of receiving the final payment in cash, the plan sponsor will contribute the final pay amount into the client's 403(B) Plan account as a non-elective employer contribution.

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