



Business Retirement Plan Comparison Analysis

	SEP IRA	SIMPLE IRA	401(k)
Who can contribute	Employer only	Employee & Employer	Employee & Employer Optional
Max employee contribution (catchup)	\$0	\$13,500 (\$3,000)	\$19,500 (\$6,000)
Employer contribution	Up to 25% of income or compensation with \$56,000 cap	Match 3% of employee's contribution OR 2% of salary for all eligible employees	Safe Harbor Provisions: Match 4% of employee's contribution OR 3% of salary for all eligible employees Up to 25% of income or compensation with \$56,000 cap
Access prior to 59.5	10% penalty for withdrawal	25% penalty in first two years, 10% thereafter	Penalty free loans, 10% penalty for withdrawal
Vesting	100% vested immediately	100% vested immediately	Option to include up to 6 years to vest in employer contributions
Portability	Yes, per plan provisions.	Rollovers (and roll-ins) permitted only after two-year period.	Rollovers (and roll-ins) permitted only after two-year period
Annual filing requirement	None	None	Form 5500
Average cost	Low; standard trading costs only	Low; standard trading costs only	Medium to High: \$1,500 - \$5,000
When do you have to setup by	Due date of business return	October 1 for plan year	31-Dec