

SMALL BUSINESS ACCOUNTS COMPARISON GUIDE



SEP

ELIGIBILITY	CONTRIBUTION LIMITS	HIGHLIGHTS	DEADLINES
<ul style="list-style-type: none"> Self-employed individuals or small business owners, including those with employees: Sole proprietors, Partnership C corporations, S corporations. 	<ul style="list-style-type: none"> 25% of compensation or maximum cap for the year (the lesser amount) 2023 max: \$66,000 2024 max: \$69,000 Each eligible employee must receive the same percentage Contributions are not mandatory 	<ul style="list-style-type: none"> Tax- deferred- so you don't pay taxes until withdrawn at retirement Employer contributions are deductible as a business expenses. Employer's own contribution is deductible on their personal tax return. 	<p>Establishment Deadline: April 15 or your tax-filing deadline plus extensions</p> <p>Employer Contribution Deadline: April 15 or your tax-filing deadline plus extensions</p>

SIMPLE

ELIGIBILITY	CONTRIBUTION LIMITS	HIGHLIGHTS	DEADLINES
<ul style="list-style-type: none"> Businesses with 100 or fewer employees: Sole proprietors, Partnerships, C corporations, S corporations Participating employees must have earned at least \$5,000 in compensation during any 2 years preceding 	<p>Employer: mandatory 3% matching contribution or 2% non-elective contribution</p> <p>Employee: 2023: Max \$15,500 (\$19,000 if age 50 or older) 2024: Max \$16,000 (\$19,500 if age 50 or older)</p>	<ul style="list-style-type: none"> Tax deferred- so you don't pay taxes until withdrawn at retirement Employer contributions are deductible as business expenses Funded by employee deferrals and employer contributions 	<p>Establishment Deadline Jan. 1- Oct.1 (If company was established after 10/1, as soon as administratively feasible)</p> <p>Employer Contribution Deadline: The employer's tax return due date plus extensions</p> <p>Deferrals must be deposited within 7 business days. Self-employed owners must deposit their deferrals by January 30</p>

SOLO 401(k)

ELIGIBILITY	CONTRIBUTION LIMITS	HIGHLIGHTS	DEADLINES
<ul style="list-style-type: none"> Must have a business. Business owner(s) and their spouse(s) Cannot have any employees 	<p>Employer Contributions The maximum is the lesser of 25% of an employee's compensation up to the maximum limit (including employee contributions) 2023: \$66,000 2024: \$69,000</p> <p>Employee Elective Deferrals 2023 max: \$22,500 2024 max: \$23,000 (\$7,500 catch up if age 50 or older)</p>	<ul style="list-style-type: none"> Lowers business taxable income Contributions can be made as employer and employee Can borrow from plan Roth contributions. You don't pay taxes when withdrawn at retirement In-plan Roth Rollovers (Conversions) are allowed 	<p>Establishment Deadline The employer's tax return due date plus extensions</p> <p>Contribution Deadline Employer contributions are due by the employer's tax return due date plus extensions. W-2 deferrals must be deposited within 7 business days.</p> <p>Self-employed deferrals must be made by April 15th not including extensions</p>

INDIVIDUAL ACCOUNTS COMPARISON GUIDE

ROTH

ELIGIBILITY <ul style="list-style-type: none"> No age limit Must have earned income 	CONTRIBUTION LIMITS <ul style="list-style-type: none"> 2023: \$6,500 (\$7,500 if age 50 or older) 2024: \$7,000 (\$8,000 if age 50 or older) Contributions are not tax-deductible 	HIGHLIGHTS <ul style="list-style-type: none"> Earnings grow tax-free Taxes are paid up front, so you're able to withdraw contributions tax-free and penalty-free at any time 	DEADLINES <p>Establishment Deadline Tax-filing deadline</p> <p>Contribution Deadline Tax-filing deadline which is typically April 15</p>
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TRADITIONAL

ELIGIBILITY <ul style="list-style-type: none"> No age limit Must have earned income 	CONTRIBUTION LIMITS <ul style="list-style-type: none"> 2023: \$6,500 (\$7,500 if age 50 or older) 2024: \$7,000 (\$8,000 if age 50 or older) 	HIGHLIGHTS <ul style="list-style-type: none"> Tax-deductible contributions based on Modified Adjusted Gross Income (MAGI) 	DEADLINES <p>Establishment Deadline Tax-filing deadline</p> <p>Contribution Deadline Tax-filing deadline which is typically April 15</p>
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	Roll To							
	Roth IRA	Traditional IRA	SIMPLEIRA	SEP-IRA	Governmental 457(b)	Qualified Plan ¹ (Pre-tax)	403(B) (PRE-TAX)	DESIGNATED ROTH ACCOUNT (401(K), 403(B) OR 457(B))
	Yes ²	No	No	No	No	No	No	No
Roth IRA	Yes ²	No	No	No	No	No	No	No
Traditional IRA	Yes ³	Yes ²	Yes ^{2,7} , after two years	Yes ²	Yes ⁴	Yes	Yes	No
SIMPLE IRA	Yes ³ , after two years	Yes ² , after two years	Yes ²	Yes ² , after two years	Yes ⁴ , after two years	Yes, after two years	Yes, after two years	No
SEP-IRA	Yes ³	Yes ²	Yes ^{2,7} , after two years	Yes ²	Yes ⁴	Yes	Yes	No
Governmental 457(b)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes	Yes	Yes	Yes ^{3,5}
Qualified plan¹ (pre-tax)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes ⁴	Yes	Yes	Yes ^{3,5}
403(b) (PRE-TAX)	Yes ³	Yes	Yes ⁷ , after two years	Yes	Yes ⁴	Yes	Yes	Yes ^{3,5}
Designated Roth Account (401(k), 403(b) or 457(b))	Yes	No	No	No	No	No	No	Yes ⁶

¹ Qualified plans include, for example, profit-sharing, 401(k), money purchase, and defined benefit plans.

² Only one rollover in any 12-month period.

³ Must include in income.

⁴ Must have separate accounts.

⁵ Must be an in-plan rollover.

⁶ Any nontaxable amounts distributed must be rolled over by direct trustee-to-trustee transfer.

⁷ Applies to rollover contributions after December 18, 2015. For more information regarding retirement plans and rollovers, visit Tax Information for Retirement Plans.