

IRA COMPARISON

SEP	SIMPLE	ROTH	TRADITIONAL
<p>ELIGIBILITY Self-employed individuals or small business owners, including those with employees: Sole proprietors, Partnerships, C corporations, S corporations</p>	<p>ELIGIBILITY Businesses with 100 or fewer employees: Sole proprietors, Partnerships, C corporations, S corporations</p> <p>Participating employees must have earned at least \$5,000 in compensation during any 2 years preceding</p>	<p>ELIGIBILITY No age limit</p> <p>Must have earned income</p>	<p>ELIGIBILITY No age limit</p> <p>Must have earned income</p>
<p>CONTRIBUTION LIMITS 25% of compensation or maximum cap for the year (the lesser amount) 2019 max: \$56,000 2020 max: \$57,000</p> <p>Each eligible employee must receive the same percentage</p> <p>Contributions are not mandatory</p>	<p>CONTRIBUTION LIMITS Employer: mandatory 3% matching contribution or 2% non-elective contribution</p> <p>Participants contributions 2019: Up to \$13,000 in salary deferrals (\$16,000 if age 50 or older) 2020: Up to \$13,500 in salary deferrals (\$16,500 if age 50 or older)</p>	<p>CONTRIBUTION LIMITS 2019: \$6,000 (\$7,000 if age 50 or older) 2020: \$6,000 (\$7,000 if age 50 or older)</p> <p>Contributions are not tax-deductible</p>	<p>CONTRIBUTION LIMITS 2019: \$6,000 (\$7,000 if age 50 or older) 2020: \$6,000 (\$7,000 if age 50 or older)</p>
<p>HIGHLIGHTS Tax-deferred— so you don't pay taxes until withdrawn at retirement</p> <p>Tax-deductible contributions</p> <p>Easy to set up and maintain</p> <p>Funded by employer contributions only</p>	<p>HIGHLIGHTS Tax deferred— so you don't pay taxes until withdrawal at retirement</p> <p>Employer contributions are deductible as business expenses</p> <p>Funded by employee deferrals and employer contributions</p>	<p>HIGHLIGHTS Earnings grow tax-free</p> <p>Taxes are paid up front, so you're able to withdraw your contributions tax-free and penalty-free at any time</p>	<p>HIGHLIGHTS Tax-deductible contributions based on Modified Adjusted Gross Income (MAGI)</p>
<p>DEADLINE TO ESTABLISH April 15 or your tax-filing deadline</p>	<p>DEADLINE TO ESTABLISH October 1</p>	<p>DEADLINE TO ESTABLISH April 15</p>	<p>DEADLINE TO ESTABLISH April 15</p>

IRAR Trust Company does not offer investment, tax, financial, or legal advice to clients. If you need advice, we recommend consulting with a financial professional.