

Retirement Plan Comparison Chart



| Feature | 401(k) | Solo 401(k) | Safe Harbor 401(k) | SIMPLE 401(k) | Profit Sharing | SEP IRA | SIMPLE IRA |
|---|---|---|---|---|---|--|--|
| Basic plan type | Defined Contribution | Defined Contribution | Defined Contribution | Defined Contribution | Defined Contribution | IRA based | IRA based |
| Who generally adopts | Corporations, partnerships, limited liability companies | Sole proprietorships, partnerships, limited liability companies and corporations with no common law employees | Sole proprietorships, partnerships, limited liability companies and corporations | Sole proprietorships, partnerships, limited liability companies and corporations with 100 or fewer eligible employees | Sole proprietorships, partnerships, limited liability companies and corporations | Sole proprietorships, partnerships, and small businesses | Sole proprietorships, partnerships, limited liability companies and corporations with 100 or fewer employees |
| Can employer sponsor other qualified retirement plans | Yes | Yes | Yes | No | Yes | Yes | No |
| Who can contribute | Employee; employer contributions are optional | Employee; employer contributions are optional | Employee and employer | Employee and employer | Employer | Employer | Employee and employer |
| Cost index | Low to High depending upon design complexity, service model adopted and other factors | Low to Medium | Low to Medium | Low to Medium | Low to High depending upon design complexity, service model adopted and other factors | Low | Low |
| Maximum employee deferral contribution | The lesser of \$17,500 for 2014 (indexed for inflation each year) or 100% of compensation | The lesser of \$17,500 for 2014 (indexed for inflation each year) or 100% of compensation | The lesser of \$17,500 for 2014 (indexed for inflation each year) or 100% of compensation | The lesser of \$12,000 for 2014 (indexed for inflation each year) or 100% of compensation | None | None. Contributions are generally by Employer only | The lesser of \$12,000 for 2014 (indexed for inflation each year) or 100% of compensation |

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| Employer contributions | Discretionary; maximum tax-deductible employer contribution is 25% of eligible payroll; overall maximum contribution per eligible employee is 100% of compensation not to exceed \$52,000 | Discretionary; maximum tax-deductible employer contribution is 25% of eligible payroll; overall maximum contribution per eligible employee is 100% of compensation not to exceed \$52,000 | Required match of 100% on the first 3% of employee deferral plus 50% on the next 2% of employee deferral OR 3% of compensation to all eligible employees | Required match of 100% up to 3% of employee's compensation OR 2% of compensation to all eligible employees | Discretionary; maximum tax-deductible employer contribution is 25% of eligible payroll; overall maximum contribution per eligible employee is 100% of compensation not to exceed \$52,000 | Discretionary; cannot exceed the lesser of 25% of the employee's compensation or \$52,000 | Required match of 100% up to 3% of employee's compensation (may be reduced to 1% in 2 of any 5 years) OR 2% of compensation to all eligible employees |
| Catch-up contributions for those age 50 and older | \$5,500 for 2014 (indexed for inflation each year) ¹ | \$5,500 for 2014 (indexed for inflation each year) ¹ | \$5,500 for 2014 (indexed for inflation each year) ¹ | \$2,500 for 2014 (indexed for inflation each year) ¹ | N/A | N/A | \$2,500 for 2014 (indexed for inflation each year) |
| Employee eligibility | Age requirement cannot exceed 21; service requirement can't exceed one year; may exclude union employees | Age requirements cannot exceed 21; service requirements can't exceed one year | Age requirement cannot exceed 21; service requirement can't exceed one year; may exclude union employees | Age requirement cannot exceed 21; service requirement can't exceed one year; may exclude union employees | Age requirement cannot exceed 21; service requirement can't exceed one year; two years if 100% vested; may exclude union employees | Age requirement cannot exceed 21; have earned compensation in three of the past five years; received compensation of at least \$550; may exclude union employees | All employees earning \$5,000 for any past two years and is expected to do so in current year; no age limit permitted; may exclude union employees |
| Who directs investments | Employer/Trustee or plan may allow individual direction | Individual | Employer/Trustee or plan may allow individual direction | Individual | Employer/Trustee or plan may allow individual direction | Individual | Individual |

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| IRS reporting by employer | Form 5500 | Form 5500-EZ when plan assets reach \$250,000 | Form 5500 | Form 5500 | Form 5500 | None | None |
| Establishment deadline | By the last day of the plan year for which the plan is effective | By the last day of the plan year for which the plan is effective | Any date between January 1 and October 1; may not have an effective date that is before the date plan actually adopted | Any date between January 1 and October 1; as soon as administratively feasible for businesses established after October 1st | By the last day of the plan year for which the plan is effective | Established by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken | Any date between January 1 and October 1; as soon as administratively feasible for businesses established after October 1st |
| Complexity Index | High | Medium | High | Medium | Medium | Low | Low |
| Loans | Yes ¹ | Yes ¹ | Yes ¹ | Yes ¹ | Yes ¹ | No | No |
| Roth Contributions Allowed | Yes ¹ | Yes ¹ | Yes ¹ | Yes ¹ | No | No | No |

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| Funding deadline | Employee contributions must be deposited as soon as administratively possible ² ; employer contributions must be deposited by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken | Unincorporated businesses -- employer/employee contributions: by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken; incorporated businesses -- employer contributions: by tax-filing date plus extensions and employee contributions must be deposited as soon as administratively possible. | Employee contributions must be deposited as soon as administratively possible ² ; employer contributions must be deposited by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken | Employee contributions must be deposited as soon as administratively possible ² ; employer contributions must be deposited by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken | Contributions must be deposited by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken | Funded by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken | Employee contributions must be deposited as soon as administratively possible; employer contributions must be deposited by the time the corporate tax return (with extensions) is filed for the tax year in which the deduction is being taken |
| Minimum vesting | Immediate on Employee Contributions; Employer contributions can be subject to vesting schedule | Immediate | Immediate | Immediate | Employer contributions can be subject to vesting schedule | Immediate | Immediate |

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| When can withdrawals be taken | <p>Withdrawals can generally be made for the following reasons:</p> <ul style="list-style-type: none"> • termination of employment • disability • death • retirement • hardship <p>If taken prior to an employee reaching age 59½ may be subject to a 10% penalty;³ withdrawals are generally considered taxable income</p> | <p>Withdrawals can generally be made for the following reasons:</p> <ul style="list-style-type: none"> • termination of employment • disability • death • retirement • hardship <p>If taken prior to an employee reaching age 59½ may be subject to a 10% penalty;³ withdrawals are generally considered taxable income</p> | <p>Withdrawals can generally be made for the following reasons:</p> <ul style="list-style-type: none"> • termination of employment • disability • death • retirement • hardship <p>If taken prior to an employee reaching age 59½ may be subject to a 10% penalty;³ withdrawals are generally considered taxable income</p> | <p>Withdrawals can generally be made for the following reasons:</p> <ul style="list-style-type: none"> • termination of employment • disability • death • retirement • hardship <p>If taken prior to an employee reaching age 59½ may be subject to a 10% penalty;³ withdrawals are generally considered taxable income</p> | <p>Withdrawals can generally be made for the following reasons:</p> <ul style="list-style-type: none"> • termination of employment • disability • death • retirement • hardship <p>If taken prior to an employee reaching age 59½ may be subject to a 10% penalty;³ withdrawals are generally considered taxable income</p> | <p>Withdrawals can be taken at any time; withdrawals taken prior to an employee reaching age 59½ may be subject to IRS penalties; withdrawals are generally considered taxable income</p> | <p>Withdrawals can be taken at any time; withdrawals taken prior to an employee reaching age 59½ and within the first two years of participation, may be subject to a 25% early withdrawal penalty; after two years, a 10% early withdrawal penalty would apply; withdrawals are generally considered taxable income</p> |

1. This is a design option that the plan may or may not permit.
2. Plans with fewer than 100 participants must deposited employee deferrals no later than seven business days after the date the amount is withheld.
3. There is an exception to this rule which allows an employee who retires during the calendar year in which they turn 55, or later, to withdraw without penalty.

IMPORTANT NOTE: This chart provides a high level comparison of the features and benefits of the plans included and is not intended as a comprehensive or detailed review of each plan type. It is intended to be general in nature. As a result, exceptions to each plan feature can exist. Be sure to consult with a professional retirement planner or expert before you act on any information contained in this chart.