

Plan Type	SEP-IRA	SIMPLE-IRA	Solo 401(k)	Traditional IRA/Roth IRA
<b>Maximum Contribution</b>	\$58,000 employer contribution	\$13,500 deferral + 3% matching contribution (up to additional \$13,500) \$16,500 deferral + 3% matching contribution (up to additional \$16,500) if age 50 or older	\$58,000 + \$6,500 if age 50 or older	100% of income not to exceed \$6,000 + \$1,000 if age 50 or older
<b>Taxable W-2 compensation needed to reach maximum Contribution</b>	\$232,000	\$450,000 if under age 50 or \$550,000 if age 50 or older	\$232,000	\$6,000 or \$7,000 if age 50 or older
<b>Contribution rules</b>	Up to 25% of taxable compensation (discretionary)	100% of compensation up to \$13,500 employee deferral (\$16,500 if age 50 or older) + 3% matching contribution or 2% non-elective contribution	100% of compensation up to \$19,500 employee deferral (\$26,000 if age 50 or older) + 25% discretionary profit sharing contribution	100% of compensation. Roth contributions subject to income limitations
<b>Contribution sources</b>	Employer only	Employer + Employee	Employer/Employee	Individual taxpayer
<b>Contribution deductibility</b>	Yes	Employee contribution reduces employee taxable income Employer contribution is deductible	Pre-tax employee contributions reduce employee taxable income Employer contribution is deductible	Traditional IRA contribution is deductible unless individual participates in a qualified plan & exceeds income threshold. Roth IRA contribution is not deductible
<b>Maximum eligibility rules</b>	Age 21 & earned at least \$650 in 3 of last 5 years	Earned \$5,000 or more in at least 2 years	Age 21 & 1 year of service for full time employees and Age 21 & 3 years of service (500 hours) for part-time employees but generally not applicable in Solo 401(k)	Earned income
<b>Establishment deadlines</b>	Tax filing due date for business, including extensions Schedule C filers have until personal tax filing due date, including extension	October 1 of the year the plan is effective unless business started after October 1	Tax filing due date for business, including extensions: Schedule C filers have until personal tax filing due date, including extensions Election to defer <ul style="list-style-type: none"> <li>• Cannot precede plan adoption</li> <li>• Must be signed before year end</li> <li>• Can only include income not yet earned</li> </ul>	Individual taxpayer's tax filing due date (April 15 unless weekend or holiday), with no extensions
<b>Plan establishment actions</b>	Completing & signing an IRS Form 5305-SEP or a prototype	Completing & signing an IRS Form 5304-SIMPLE or a prototype before October 1 & providing deferral election & employer contribution notice	Completing & signing an IRS-approved plan document	Signing an IRA application & making initial contribution

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<b>Maximum allocation if business owner earns \$100,000 in W-2 taxable compensation</b>	\$25,000 discretionary employer contribution	\$16,500 (\$13,500 deferral + \$3,000 match) or \$19,500 (\$16,500 deferral + \$3,000 match if age 50 or older)	\$44,500 (\$19,500 deferral + \$25,000 profit sharing) or \$51,000 (\$26,000 deferral + \$25,000 profit sharing if age 50 or older)	\$6,000 + \$1,000 if age 50 or older
<b>Employer minimum contributions</b>	None required. If a contribution is made, all eligible employees must receive the same percentage as the owner	2% nonelective contribution or 3% matching contribution for employees making deferrals (Employer may make 1%–3% matching contribution instead in 2 years out of 5-year period)	None	None
<b>Vesting if employees are eligible</b>	100% on all funds	100% on all funds	Deferrals 100% Employer contributions could be subject to a 6-year schedule but not applicable in Solo 401(k)	100%
<b>Portability</b>	May transfer or roll over to other IRAs or qualified plans, at participant's discretion May accept transfers & rollovers from IRAs, SEPs & SIMPLEs (if SIMPLE IRA owner has participated in the SIMPLE plan for at least 2 years) & rollovers from qualified plans	May roll over to other IRAs or qualified plans after 2 years from the date of the first contribution under the SIMPLE IRA plan for the participant, may transfer to another SIMPLE IRA at participant's discretion May accept transfers or rollovers from other SIMPLE IRAs at any time & from IRAs, SEPs, & qualified plans after 2 years from the date of the first contribution under the SIMPLE IRA plan for the participant	May roll over to other qualified plans or IRAs when participant is permitted to take distributions under the plan May accept rollovers from IRAs, qualified plans, SEPs & SIMPLEs (if SIMPLE IRA owner has participated in the SIMPLE plan for at least 2 years)	May transfer or roll over traditional to traditional IRA & Roth to Roth. Traditional IRAs (pre-tax assets only) may be rolled over to qualified plans. Roth IRAs cannot be rolled to qualified plans. May accept transfers & rollovers from IRAs, SEPs & SIMPLEs (if SIMPLE IRA owner has participated in the SIMPLE plan for at least 2 years). May accept rollovers from qualified plans.
<b>Distribution restrictions</b>	Distributions available at any time	Distributions available at any time	Distributions at 59½, death, disability, or plan termination Plan can permit loans & hardship distributions	Distributions available at any time
<b>Taxation on distribution</b>	Fully taxable + 10% early distribution tax before age 59½, unless an exception applies	Fully taxable + early distribution tax of 25% penalty first 2 years, 10% thereafter before age 59½, unless an exception applies	Fully taxable unless Roth contributions + 10% early distribution tax before age 59½, unless an exception applies	Traditional IRA distributions fully taxable + 10% early distribution tax before age 59½. Nondeductible contributions not taxed but related earnings are taxable. Roth contributions & earnings are tax free if "qualified" (5-years + age 59½, death, disability, or 1st home purchase). Earnings are taxable for nonqualified Roth distributions + 10% early distribution tax before age 59½, unless an exception applies.
<b>Government filings by employer/IRA owner</b>	None	None	Annual Form 5500 when plan assets reach \$250,000 or plan terminates	None
<b>Investment permitted</b>	Most legal investments including alternative assets	Most legal investments including alternative assets	Most legal investments including alternative assets	Most legal investments including alternative assets