

2012 Plan Comparison

	Traditional IRA	Roth IRA	SEP	SIMPLE IRA	Profit Sharing / Money Purchase	403(b)(7)* / Roth 403(b)(7)	401(k) / Roth 401(k)	Safe Harbor 401(k) / Roth Safe Harbor 401(k)	Individual K / Roth Individual K
Plan Features	Contributions may be tax deductible individual falls within income guidelines); Can be used in conjunction with any retirement plan	Tax-free growth and distributions (provided certain conditions are met); Non-deductible contributions may be made even after age 70½; Can be used in conjunction with any retirement plan	Employer funded; Easy to establish and maintain; Minimal IRS filings and paperwork; Low cost	Employee funded; Easy to establish and maintain; No ADP/ACP non-discrimination testing; Mandatory employer contributions; Employer cannot maintain another retirement plan	Employer funded; Allows restricted coverage; Allows control over when the money will be withdrawn; May allow for loans	Primarily employee funded; Easy to establish and maintain; Pre-tax contributions may reduce employee's current taxable income; May allow for loans	Employee funded with possible Employer contribution; Allows restricted coverage; Allows control over when the money will be withdrawn; May allow for loans	Employee & Employer funded; Allows employers to maximize contributions made by highly compensated employees; Mandatory employer contributions; No ADP/ACP discriminatory testing	Employee & Employer funded; Allows control over when the money will be withdrawn; May allow for loans; Designed specifically for owner-only businesses
Who May Establish	Age Limit: 70½; Income Limit: None	Age Limit: None; Income Limit: \$125,000 for single & \$183,000 for joint	Sole proprietors, partnerships, corporations, non-profit, government entities	Employers with 100 or less employees, including sole proprietors, partnerships, corporations, non-profit and government entities	Sole proprietors, partnerships, corporations, non-profit, government entities	Employees of public schools and 501(c)(3) organizations	Sole proprietors, partnerships, corporations, non-profit	Sole proprietors, partnerships, corporations, non-profit	Employer only businesses including sole proprietors, partnerships, corporations, non-profit (May employ spouse)
Establishment Deadline	Tax-filing deadline (Generally April 15)	Tax-filing deadline (Generally April 15)	Tax-filing deadline plus extensions	October 1	Plan year end, usually Dec 31 for calendar-year plans	Plan year end, usually Dec 31 for calendar-year plans	Plan year end, usually Dec 31 for calendar-year plans	October 1	Plan year end, usually Dec 31 for calendar-year plans
Contribution Deadline	Tax-filing deadline (Generally April 15)	Tax-filing deadline (Generally April 15)	Tax-filing deadline plus extensions	Salary deferrals made on each pay period; Employer contributions by tax-filing deadline plus extensions	Tax-filing deadline plus extensions	Salary deferrals made on each pay period; Employer contributions by tax-filing deadline plus extensions	Salary deferrals withheld each pay period. For sole proprietors, when business income is determined; Employer contributions by tax-filing deadline plus extensions	Salary deferrals withheld each pay period. For sole proprietors, when business income is determined; Employer contributions by tax-filing deadline plus extensions	Salary deferrals withheld each pay period. For sole proprietors, when business income is determined; Employer contributions by tax-filing deadline plus extensions
Contribution Limit / Requirements	Annual contributions of up to \$5,000 or 100% of compensation, whichever is less; Catch-up contributions of \$1,000 if age is 50 or older; Non-employed spouses may also contribute up to \$5,000 per year if conditions are met (\$6,000 if over 50)	Annual contributions of up to \$5,000 or 100% of compensation, whichever is less; Catch-up contributions of \$1,000 if age is 50 or older; Non-employed spouses may also contribute up to \$5,000 per year if conditions are met (\$6,000 if over 50)	25% of compensation up to \$50,000; Approximately 20% for sole proprietors (due to self-employment deduction)	Employees can defer up to \$11,500; Catch-up contributions of \$2,500 if age 50 or older; Employer must match dollar for dollar up to 3% of compensation (can be lowered to 1% two of every five years); OR 2% of compensation as a non-elective contribution	25% of compensation up to \$50,000; Approximately 20% for sole proprietors (due to self-employment deduction); PSP contributions are discretionary & MPP contributions are required by percentage specified in plan document	Employees can defer up to \$17,000; Catch-up contributions of \$5,500 if age 50 or older; Employer contribution of 25% of compensation; Total combined employer and contributions cannot exceed \$50,000 (excludes catch-up contribution); Long tenured catch-up contribution for employees of 15 years or greater with same employer	Employees can defer up to \$17,000; Catch-up contributions of \$5,500 if age 50 or older; Employer contribution of 25% of compensation (approximately 20% for sole due to self-employment next 2%; Other Employer contribution proprietors deduction); Total combined employer and employee contributions cannot exceed \$50,000 (excludes catch-up contribution)	Employees can defer up to \$17,000; Catch-up contributions of \$5,500 if age 50 or older; Typically Employer contributes dollar for dollar on the first 3% and \$.50 on the dollar for the remaining 2%; Other Employer contribution proprietors options are available; Additional non-safe harbor employer contributions are allowed	Employees can defer up to \$17,000; Catch-up contributions of \$5,500 if age 50 or older; Employer contribution of 25% of compensation (approximately 20% for sole contribute due to self-employment deduction); Total combined employer and employee contributions cannot exceed \$50,000 (excludes catch-up contribution)
Who Contributes	Individual	Individual	Employer	Employee & Employer	Employer	Employee & Employer	Employee & Employer	Employee & Employer	Individual
Maximum Employee Eligibility Restrictions	N/A	N/A	Age 21 or older, worked three of last five years and earned at least \$550 in each of those years; May exclude union employees and non-resident aliens	Earned at least \$5,000 during any two prior years and is expected to earn at least \$5,000 in current year; May exclude union employees and non-resident aliens; No age limit restriction	Age 21 or older, worked one year (or two years if 100% immediate vesting) May exclude employees who work less than 1,000 hours per year, union employees and non-resident aliens	Generally, all employees	Age 21 or older, worked one year; May exclude employees who work less than 1,000 hours per year, union employees and non-resident aliens	Age 21 or older, worked one year; May exclude union employees and non-resident aliens; May not exclude employees due to minimum hours or last day rules	Age 21 or older, worked one year; May exclude employees who work less than 1,000 hours per year, union employees and non-resident aliens
Vesting	100%	100%	100%	100% for both employee and employer contributions	Vesting schedule allowed	Vesting schedule allowed and generally 100%	100% for employee contributions; vesting schedule allowed for employer contributions	100% for both employee and employer contributions; Vesting schedule allowed for any employer contributions made in addition to mandatory safe harbor contributions	Vesting schedule allowed but generally not used
Distributions	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½ ; Exceptions to 10% penalty may apply	No minimum distributions required at age 70½ unless certain criteria is met, Roth IRA owner must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½ ; Exceptions to 10% penalty may apply	Distributions taken prior to age 59½ may be subject to 10% penalty tax, in addition to ordinary income tax (25% penalty applies if distribution is within two years of participation; Minimum distributions required at 70½ ; Exceptions to 10% penalty may apply	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of plan's normal retirement age, separation from service, plan termination; Any distributions taken prior to age 59½ (age 55 if separated from service), may be subject to 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of 59½, separation from service, plan termination or hardship; Any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to a 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; Any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to a 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; Any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to a 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; Any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to a 10% penalty tax, in addition to ordinary income tax; Minimum distributions required at 70½
Loan Features	Not available	Not available	Not available	Not available	Allowed	Allowed	Allowed	Allowed	Allowed
Plan Administration	None	None	None	None	IRS form 5500 and other ERISA requirements***	IRS form 5500 and other ERISA requirements if subject to ERISA***	IRS form 5500 and other ERISA requirements***	IRS form 5500 and other ERISA requirements***	IRS 5500 EZ when plan assets reach \$250,000

*Employer may make matching or discretionary contributions within an ERISA 403(b); ERISA 403(b) is subjected to ERISA requirements. **Per the Worker, Retiree and Employer Recovery Act of 2008. ***Owner only plans are not required to file IRS 5500 until assets reach \$250,000.