

# SEP, SIMPLE, or Solo 401(k)

LET'S FIND THE ONE  
THAT'S BEST FOR YOU!



## SEP IRA

Retirement plan that allows small business owners and self-employed individuals to make tax-deductible contributions for themselves and their employees. It offers higher contribution limits compared to traditional IRAs, making it an attractive option for those looking to save more for retirement.

### *Type of Employers*

Sole proprietors, independent contractors, partnerships, and small-business owners (subchapter S or C)

### *Employee Requirements*

- Work of any duration up to 3 of the last 5 years
- Age 21 or older
- Annual compensation of at least \$600

### *Employer Contributions*

Discretionary, up to 25% of employee's compensation with a limit of \$70,000

### *Employee Contributions*

Not allowed

## SIMPLE IRA

Retirement plan designed for small businesses with fewer than 100 employees, offering both employee and employer contributions. It allows employees to contribute a portion of their salary, while employers are required to either match contributions or make a fixed contribution, providing a simple and cost-effective retirement savings option.

### *Type of Employers*

100 or fewer employees not currently maintaining another work retirement plan

### *Employee Requirements*

- Received at least \$5,000 in compensation during any 2 preceding years and expected to receive at least \$5,000 in compensation in the current year

### *Employer Contributions*

Match: Dollar-for-dollar up to 3% of compensation  
OR

Nonelective Contribution: 2% contribution to all eligible employees

### *Employee Contributions*

\$16,500 under the age of 50  
\$17,500 50 and older

## Solo 401(k)

Retirement plan designed for self-employed individuals or business owners with no employees, allowing them to make both employee and employer contributions. It offers higher contribution limits than traditional IRAs, making it an excellent option for those looking to maximize their retirement savings while also enjoying tax benefits.

### *Type of Employers*

Owner-only (and owner's spouse), includes partners and spouses.

### *Employee Requirements*

- Age 21 and over
- Working at least 1,000 hours per year

### *Employer Contributions*

Option 1: Discretionary profit sharing and/or matching contributions, in combination

Option 2: Lesser of 25% of compensation or \$70,000 if under 50 years old. \$77,500 for 50 and older.

### *Employee Contributions*

Maximum of \$23,500 and cannot exceed \$70,000 or 25% of compensation when combined with employer's contributions.

*Call us or check out our  
website to find out more!*



STEVEN COOK, CTFA  
OFFICE: 309-692-6875  
CELL: 309-605-0597  
SCOOK@LASALLEST.COM  
WWW.ISBWEALTH.COM

