

2010 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 (if 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another retirement plan	Employer funded; Allows restricted coverage; Allows control over when the money will be withdrawn; May allow for loans	Primarily employee funded; Easy to establish and maintain; Pre-tax contributions may reduce employee's current taxable income	Employee funded with possible Employer contribution; Allows restricted coverage; Allows control over when the money will be withdrawn; May allow for loans	Employee & Employer funded; Allows employers to maximize contributions made by highly compensated employees; Mandatory employer contributions; No ADP/ACP discriminatory testing	Employee & Employer funded; Allows control over when the money will be withdrawn; May allow for loans; Designed specifically for owner-only businesses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: \$120,000 for single & \$176,000 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 or immediate family)
Establishment Deadline	Tax Filing Deadline (Generally April 15th)	Tax Filing Deadline (Generally April 15th)	Tax filing deadline plus extensions	October 1st	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 1st	Plan year end, usually Dec 31 for calendar year plans
Contribution Deadline	Tax filing deadline (Generally April 15th)	Tax filing deadline (Generally April 15th)	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 \$4,000 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 \$4,000 per year if conditions are met (\$5000 if over 50)	Annual contributions of up to \$4,000 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 \$4,000 per year if conditions are met (\$5000 if over 50)	25% of compensation up to \$45,000; Approximately 20% for sole proprietors (due to self-employment deduction); Catch-up contributions of \$5,000 if age 50 or older; Employer contribution may be reduced to 1% or 2% every 3 years; OR 2% of compensation as a non-elective contribution	Employees can defer up to \$10,500; Catch-up contributions of \$2,500 if age 50 or older; Employer must contribute at least 3% of compensation (lowered to 1% or 2% every 3 years); OR 2% of compensation as a non-elective contribution	25% of compensation up to \$45,000; Approximately 20% for sole proprietors (due to self-employment deduction); Catch-up contributions of \$5,000 if age 50 or older; Employer contribution may be reduced to 1% or 2% every 3 years; OR 2% of compensation as a non-elective contribution	Employees can defer up to \$15,500; Catch-up contributions of \$5,000 if age 50 or older; Employer contribution may be reduced to 1% or 2% every 3 years; OR 2% of compensation as a non-elective contribution	Employees can defer up to \$15,500; Catch-up contributions of \$5,000 if age 50 or older; Employer contribution may be reduced to 1% or 2% every 3 years; OR 2% of compensation as a non-elective contribution	Employees can defer up to \$15,500; Catch-up contributions of \$5,000 if age 50 or older; Employer contribution may be reduced to 1% or 2% every 3 years; OR 2% of compensation as a non-elective contribution	Employees can defer up to \$15,500; Catch-up contributions of \$5,000 if age 50 or older; Employer contribution may be reduced to 1% or 2% every 3 years; OR 2% of compensation as a non-elective 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 3 of last 5 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 2 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	N/A
Vesting	100%	100%	100%	100% for both employee and employer contributions	Vesting schedule allowed	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	Tax-free distributions allowed provided certain conditions are met; No minimum distributions required at age 70½	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 2 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 may be required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of 59½, separation from service, 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 may be required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of 59½, separation from service, 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 may be required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of 59½, separation from service, 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 may be required at 70½	Distributions can only be taken with a triggering event such as: death, permanent disability, attainment of 59½, separation from service, 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 may be 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 \$100,000 or \$250,000 for plan years beginning on or after Jan. 1, 2007 with fewer than 25 participants.

*Owner only plans are not required to file IRS 5500 until assets reach \$250,000

**Employer may make matching or discretionary contributions within an ERISA 403(b); ERISA 403(b) is subjected to ERISA requirements