Find the right retirement plan for your business.

Of the many retirement plan options available, discover which one works best for you.

Not all retirement plans are the same.

All of today’s most popular employer-sponsored retirement plans—the SEP, SIMPLE IRA, profit sharing, 401(k), and Individual(k)™—are designed to help you and your employees make the most of saving for retirement on the job. But each plan has different features and requirements. One type of plan may be a better fit over another for your particular business.

Before deciding which one to go with, consider

- your reasons for establishing a plan,
- the time and expense of maintaining and funding a plan, and
- your employee demographics (such as age, income, and retirement goals).

You should also consult a competent tax or financial advisor.

For More Information

We’d be happy to answer your retirement plan questions.
When choosing the right retirement plan, it may be helpful to compare the key features of each plan. Here is a summary of the plans listed:

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<th>Plan</th>
<th>Establishment and Funding</th>
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| Simplified Employee Pension (SEP) Plan    | You have until your business's tax return due date plus extensions to establish and fund a plan. | Plan contributions for each eligible employee for the plan year may not exceed the lesser of 25% of compensation up to the contribution cap of $280,000 for 2019 ($285,000 for 2020) or $56,000 for 2019 ($57,000 for 2020). | The employer's deduction limit may not exceed 25% of compensation paid to all eligible employees for the year. | Salary deferrals are not allowed for standard SEP plans. They are allowed for salary reduction SEP plans, which cannot be established after December 31, 1996 (grandfathered plans are permitted to continue). | ✓ Administrative ease  
✓ No plan-level reporting  
✓ Fewer participation restrictions  
✓ Need not fund each year, or at a specific level  
✓ No complicated nondiscrimination testing or top-heavy requirements |
| SIMPLE IRA Plan                           | You have until October 1 to establish a plan for the current year. Employees can defer prospectively only. You must make either a matching contribution or a nonelective contribution. | You generally must match employee deferrals up to 3% of compensation, or make a 2% nonelective contribution to all eligible employees. | Your deduction limit may not exceed 25% of compensation paid to eligible participants for the year. | Deferrals are either a flat dollar amount or a percentage of compensation up to a maximum of $13,000 for 2019 ($13,500 for 2020), plus $3,000 in catch-up contributions for participants age 50 or older. | ✓ Administrative ease  
✓ No plan-level reporting  
✓ No complicated nondiscrimination testing or top-heavy requirements |
| Profit Sharing Plan                       | You have until your business's tax return due date plus extensions to establish a plan and to fund the plan. Contribution amounts are flexible each year. | Plan contributions plus any forfeitures allocated to a participant's account for the plan year may not exceed the lesser of 100% of compensation or $56,000 for 2019 ($57,000 for 2020). | Your deduction limit may not exceed 25% of compensation paid to eligible participants for the year. | Deferrals are available through a 401(k) component of a profit sharing plan. (See 401(k) plan salary deferral feature below.) | ✓ Flexible funding options  
✓ Suited to irregular profit patterns  
✓ Can restrict coverage  
✓ Can control distributions |
| 401(k) Plan                               | You have until your business's tax return due date plus extensions to establish the plan. Employees can defer prospectively only. You may make matching or other contributions before your business's tax return due date plus extensions. | Plan contributions plus any forfeitures allocated to a participant's account for the plan year may not exceed the lesser of 100% of compensation or $56,000 for 2019 ($57,000 for 2020). For participants age 50 and older, these amounts may be increased by catch-up contributions up to $6,000 for 2019 ($6,500 for 2020). | Your deduction limit may not exceed 25% of compensation paid to eligible participants for the year. | Deferrals are either a flat dollar amount or a percentage of compensation, up to a maximum of $19,000 for 2019 ($19,500 for 2020), and may be restricted for highly compensated employees. Participants age 50 or older may make catch-up contributions up to $6,000 for 2019 ($6,500 for 2020). Participants also may make designated Roth contributions. But Roth and pretax deferrals together may not exceed the annual limit. | ✓ Substantial employee benefits  
✓ Flexible funding options  
✓ Can restrict coverage  
✓ Can control distributions  
✓ After-tax contributions |
| Individual(k)™ Plan                      | You have until your business's tax return due date plus extensions to establish the plan and to fund the plan. The plan allows for flexible, discretionary profit sharing contributions each year, as well as salary deferral contributions. (If incorporated and you receive W-2 income, deferrals must be made throughout the year.) | Plan contributions allocated to the participant's account for the plan year may not exceed the lesser of 100% of compensation or $56,000 for 2019 ($57,000 for 2020). For participants age 50 and older, these amounts may be increased by catch-up contributions up to $6,000 for 2019 ($6,500 for 2020). | Your deduction is limited to 25% of compensation (excluding deferrals). | Deferrals are either a flat dollar amount or a percentage of compensation, up to a maximum of $19,000 for 2019 and $19,500 for 2020. Participants age 50 or older may make catch-up contributions up to $6,000 for 2019 ($6,500 for 2020). Participants also may make designated Roth contributions. But Roth and pretax deferrals together may not exceed the annual limit. | ✓ Designed for owner-only businesses  
✓ Significantly greater tax-sheltered contributions  
✓ Can be established by both incorporated and unincorporated businesses  
✓ May convert existing plans into an Individual(k) plan  
✓ After-tax contributions |