

# Individual retirement plans - individual retirement accounts, individual retirement annuities, simplified employee pensions.

## Commerce Clearing House - Individual Retirement Account (IRA) Definition

Description: -

	SEP	SIMPLE IRA	401(k)	408(a)(9)
Private advantage	Easy to set up and maintain low administrative costs	Easy to set up and maintain low administrative costs	Has no high level of salary deferrals by employees	Very simple to administer maximum deduction per year
Employee eligibility	Any employee with one or more employees	Any employee with one or more employees that earned \$12,000 or more in compensation in the preceding year that does not currently maintain another retirement plan	Any employee with one or more employees	Self-employed individual with spouse only as employee
Maximum annual contribution (per participant)	\$15,000 for 2018 or 20% of compensation, whichever is lower	\$12,000 salary reduction contribution, \$12,000 if age 50 or over company can make dollar-for-dollar matching contributions up to 3% of the employee's compensation or feed-forward contribution of 2% of the employee's compensation for 2018 or 2019	Employees can make elective deferrals of up to \$19,000 in 2018, \$20,000 if age 50 or over total employer and employee contributions are limited to the lesser of \$58,000 in 2018 or 100% of the employee's compensation for 2018 or 2019	Employees can make elective deferrals of up to \$13,000 in 2018, \$14,000 if age 50 or over employee contributions are limited to 25% of the employee's compensation earned income if self-employed
Withdrawals and loans	Withdrawals permitted anytime subject to federal income taxes, early withdrawals subject to penalty on loan provisions	Withdrawals permitted anytime subject to federal income taxes, early withdrawals subject to penalty on loan provisions	Withdrawals permitted after a specified event (accident, illness, plan termination, etc.) subject to federal income taxes plan may permit loans and hardship withdrawals early withdrawals subject to penalty	Withdrawals permitted after a specified event (accident, illness, plan termination, etc.) subject to federal income taxes plan may permit loans and hardship withdrawals early withdrawals subject to penalty
Vesting	Immediate vesting	Immediate vesting	May vest over time according to plan terms	Immediate vesting
Administrative costs and annual nondiscrimination testing	Minimal setup costs, annual nondiscrimination testing participant no annual RMD	Minimal setup costs, annual nondiscrimination testing participant no annual RMD	Plan adoption and/or annual testing depending on number of participants, annual RMD participant administrator accounting fees, annual filing with IRS	Minimal or no setup costs, annual filing with IRS



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Tags: #Individual #Retirement #Account

### Retirement Annuities: Know the Pros and Cons

It prevents an employer or plan administrator from releasing your benefits to a creditor who attempts to attach that plan.

### 7 Best Retirement Plan Options

Contribution amounts are the same for Roth plans as they are for Traditional IRAs, and also have the benefit of tax deferral of investment earnings, with a powerful twist.

### SEP

F Exception where pension does not meet requirements necessary to insure distribution of excess contributions This paragraph shall not apply with respect to any for which the simplified pension does not meet such requirements as the Secretary may prescribe as are necessary to insure that are distributed in accordance with subparagraph C , including— This paragraph shall not apply to beginning after December 31, 1996. Defined Contribution Plans Defined contribution plans are now offered by most employers.

### SEP

Deferring a portion of your income for a later time is appealing as it will grow tax-deferred and will be tax-free in the year you become entitled to it. If a creditor gets a judgment against you and you have a retirement account, then the judgment creditor may be able to seize all or part of the account.

## Related Books

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- [RACER # 3144777](#)
- [Exercises for health promotion - a prescriptive approach](#)
- [Rapid Determination of Particle-Size Distribution of Pulverized Coal by Sedimentation.](#)
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