

2018 Retirement Plan Comparison Chart

| | SIMPLE IRA* | 401(k) | 401(k) (Safe Harbor Formula) | SEP** | Profit Sharing | Money Purchase Pension |
|--|---|---|---|--|--|---|
| Eligible Employers | Any employer who has less than 100 employees, disregarding those earning less than \$5,000 in compensation | All employers except state and local governments | All employers except state and local governments | All types of businesses | All types of businesses | All types of businesses |
| Eligible Participants | Any employee who received at least \$5,000 in compensation in any two preceding years and is expected to receive at least \$5,000 in current year | Maximum requirement is one year of service (more than 1,000 hours) and age 21 | Maximum requirement is one year of service (more than 1,000 hours) and age 21 | Maximum requirement is 3 out of the 5 preceding years of service earning at least \$600 and age 21 | Maximum requirement is 2 years of service (more than 1,000 hours per year) and age 21 | Maximum requirement is 2 years of service (more than 1,000 hours per year) and age 21. |
| Maximum Contribution | Maximum contribution of \$25,000 (elective deferral \$12,500 and matching \$12,500) | Generally maximum contribution of 100% of eligible compensation up to \$55,000, per plan participant (\$54,000 for 2017). Employer deduction limited to 25% of eligible compensation. | Generally maximum contribution of 100% of eligible compensation up to \$55,000, per plan participant (\$54,000 for 2017). Employer deduction limited to 25% of eligible compensation. | Maximum contribution of 25% of eligible compensation up to \$55,000 (\$54,000 for 2017). | Generally maximum contribution of 100% of eligible compensation up to \$55,000, per plan participant (\$54,000 for 2017). Employer deduction limited to 25% of eligible compensation | Maximum contribution of 100% of eligible compensation up to \$55,000, per plan participant (\$54,000 for 2017). Employer deduction limited to 25% of eligible compensation. |
| Maximum Deferral | Cannot exceed \$12,500 | Generally the lesser of 100% of compensation or \$18,500 (\$18,000 for 2017) | Generally the lesser of 100% of compensation or \$18,500 (\$18,000 for 2017) | None | None | None |
| Catch-up Deferral (age 50 & over) | \$3,000 | \$6,000 | \$6,000 | None | None | None |
| Determination Of Contribution | Mandatory matching contribution of up to 3% of compensation or non-elective contribution of 2% for all eligible employees | Contributions are determined by employer (subject to plan documents) Must pass nondiscrimination tests | Mandatory matching contribution of 100% of deferrals up to 3% of compensation and 50% of deferrals between 3% and 5% of compensation or non-elective contribution of 3% for all eligible employees | Contributions are determined by employer (subject to plan documents) | Contributions are determined by employer (subject to plan documents) | Contributions are mandatory based on a fixed percentage of employee's eligible compensation |
| Vesting | All contributions 100% vested | Deferral 100% vested; Employer contributions may use graded or cliff vesting schedule | All contributions 100% vested | All contributions 100% vested | Contributions may be on a graded or cliff vesting schedule | Contributions may be on a graded or cliff vesting schedule |
| Plan Restrictions | Cannot maintain any other qualified plan | Can maintain other qualified plan(s) | Can maintain other qualified plan(s) | Cannot use IRS Model Form 5305-SEP if employer maintains another qualified plan | Can maintain other qualified plan(s) | Can maintain other qualified plan(s) |
| When Must Plan Be Established? | Within 60 days prior to plan effective date | By employer's fiscal year end (12/31 for calendar year plans) | Notice to employees at least 30 days prior to the beginning of the plan year) | By employer's tax filing due date plus extensions | By employer's fiscal year end (12/31 for calendar year plans) | By employer's fiscal year end (12/31 for calendar year plans) |

*Savings Incentive Match Plan for Employees

**Simplified Employee Pension

Note: This chart represents highlights only of retirement plans

Blum, Shapiro & Company, P.C.
29 South Main Street, West Hartford, CT 06107-2419
2 Enterprise Drive, Shelton, CT 06484
2 Batterymarch Park, Quincy, MA, 02169
1 Capital Way, Cranston, RI 02910
70 Wells Avenue, Newton, MA 02459

*2018 retirement plan limits remain the same as 2017 unless otherwise noted