



## BUSINESS OWNER

### SEP IRA

#### Benefits

- Simple Administration
- Flexible contributions
- Employer Control
- Defined Contribution Plan
- \$69,000 Maximum Contribution\*

#### Drawbacks

- Everyone receives same percentage
- Immediate vesting
- Employer responsible for all aspects

### 401k Profit Sharing

#### Benefits

- Different tiers of employees
- Vesting Schedule
- Shared Fiduciary Roles
- Flexible eligibility
- \$76,500 maximum contribution\*

#### Drawbacks

- Requires Form 5500 Filed
- Must pass non-discrimination tests
- Stricter DOL regulations

### Cash Balance

#### Benefits

- Can be paired with a 401k
- Can be funded up until corp. tax filing
- Defined Benefit Plan
- \$250,000 maximum contribution\*

#### Drawbacks

- Required contributions
- Requires an actuary
- minimum funding
- Limited returns

### Split Funded DB

#### Benefits

- All of the same benefits of a cash balance plan
- Can include permanent life insurance
- Insurance proceeds tax-free
- May increase contributions

#### Drawbacks

- Must be non-discriminatory
- May have higher minimum requirements
- Works for

\*Based on 55 year old with \$280,000 W2 in 2024

