

Retirement Plan Comparison

	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 \$550 (unchanged from 2011) and age 21	Maximum requirement is 2 years of service at 1,000 hours a year and age 21.	Maximum requirement is 2 years of service at 1,000 hours a year and age 21.
Maximum Contribution	Maximum contribution of \$23,000 (Elective Deferral \$11,500 and matching \$11,500) for 2012 and unchanged from 2011.	Generally maximum contribution of 100% of eligible compensation up to \$50,000 for 2012, (\$49,000 for 2011), per plan participant. Employer deduction limited to 25% of eligible compensation.	Generally maximum contribution of 100% of eligible compensation up to \$50,000 for 2012, (\$49,000 for 2011), per plan participant. Employer deduction limited to 25% of eligible compensation.	Maximum contribution of 25% of eligible compensation up to \$50,000 for 2012, (\$49,000 for 2011).	Generally maximum contribution of 100% of eligible compensation up to \$50,000 for 2012, (\$49,000 for 2011), per plan participant. Employer deduction limited to 25% of eligible compensation	Maximum contribution of 100% of eligible compensation up to \$50,000 for 2012, (\$49,000 for 2011), per plan participant. Employer deduction limited to 25% of eligible compensation.
Maximum Deferral	Cannot exceed \$11,500 for 2012 & \$11,500 for 2011	Generally the lesser of 25% of compensation or \$17,000 for 2012 & \$16,500 for 2011	Generally the lesser of 25% of compensation or \$17,000 for 2012 & \$16,500 for 2011	None	None	None
Catch-up Deferral (age 50 & over)	\$2,500 for 2012 & \$2,500 for 2011	\$5,500 for 2012 & \$5,500 for 2011	\$5,500 for 2012 & \$5,500 for 2011	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