



Business Retirement Plan Comparison Analysis

SEP IRA		SIMPLE IRA		401(k)	
Who can contribute	Employer only	Employee & Employer	Employee & Employer	Employee & Employer Optional	
Max employee contribution (catchup)	\$0	2022 - \$14,000 (addl. \$3,000 for 50+)		2022 - \$20,500 (addl. \$6,500 for 50+)	
Employer contribution	Up to 25% of income or compensation with \$61,000 cap	Match 3% of employee's contribution OR 2% of salary for all eligible employees		Safe Harbor Provisions: Match 4% of employee's contribution OR 3% of salary for all eligible employees Up to 25% of income or compensation with \$61,000 (\$67,500 for 50+) cap	
Access prior to 59.5	10% penalty for withdrawal	25% penalty in first two years, 10% thereafter		Penalty free loans, 10% penalty for withdrawal	
Vesting	100% vested immediately	100% vested immediately		Option to include up to 6 years to vest in employer contributions	
Portability	Yes, per plan provisions.	Rollovers (and roll-ins) permitted only after two-year period.		Rollovers (and roll-ins) permitted only after two-year period	
Annual filing requirement	None	None		Form 5500	
Average cost	Low; standard trading costs only	Low; standard trading costs only		Medium to High: \$1,500 - \$5,000	