



SIMPLE IRA vs 401(k) Match - 2018

	SIMPLE IRA	401(k) with Safe Harbor Match
Employee Salary Deferral Amounts	\$12,500 with an additional \$3,000 if participant is 50 years or older	\$18,500 with an additional \$6,000 if participant is 50 years or older
Employer Contributions	Can make a 2% Employer Contributions in lieu of the Match but not in addition	Employer Discretionary Contribution from 0% to 25% of salary that can be allocated to all participants or, if applicable, can be allocated based on Classes (maximum dollar limit per participant of \$53,000 total all contributions)
Matching Contributions	Required Matching Contributions received only by participants that salary defer. Formula is 100% up to 3% of employee's compensation (may be reduced to 1% in 2 of any 5 years)	Safe Harbor Matching Contributions received only by participants that salary defer - Formula can vary but must be at least: 100% of deferral up to 4%. Can also "stack" additional matching contributions based on specific parameters.
Eligibility Requirements	Must have worked the last two years and earned at least \$5,000 annually.	Age 21 and 1 year of service with two entry dates, January 1 and July 1 for calendar years
Withdrawals	Withdrawals permitted anytime subject to federal income taxes and penalties if withdrawn prior to age 59 1/2	Withdrawals only permitted upon termination of employment, disability, death, retirement, and hardship. Subject to federal income taxes and penalties if withdrawn before age 59 1/2
Loans	No Loan permitted	Loans can be permitted per Plan Document - can borrow only 50% of vested portion
Vesting	100% vested	Salary Deferral Contributions and Safe Harbor Matching Contributions are 100% vested. Employer Discretionary Contributions and additional Matching Contributions may be subject to a vesting schedule
Administration	No Administration required but also do not benefit from having a retirement professional available for consultation	Administration Fees required but have a retirement professional available for consultation to keep the Plan in compliance