

**林麗淑會計師聯合專業公司**  
**Lisu L. Tan Co., Ltd., CPAs**

## Employer-Sponsored Retirement Plans

	<b>SEP IRA</b> (Simplified Employee Pension)	<b>SIMPLE IRA</b> (Savings Incentive Match Plan for Employees)	<b>401(k)</b> (Solo 401(k) please see <i>note 1</i> )
<b>2023 &amp; 2024 contribution limits</b>	<b>Employer:</b> Up to 25% of compensation ( <i>note 2</i> ); same % to employee accounts  <b>Employee:</b> N/A	<b>Employer:</b> 1) 100% match on the first 3% deferred (match may be reduced to 1% in two out of five years) or 2) a 2% non-elective contribution on behalf of all eligible employees.  <b>Employee:</b> For <b>2023:</b> Up to \$15,500 in salary deferrals; \$19,000 if age 50 or older. For <b>2024:</b> Up to \$16,000 in salary deferrals; \$19,500 if age 50 or older.	<b>Employer:</b> Up to 25% of compensation ( <i>note 2</i> )  <b>Employee:</b> For <b>2023:</b> Up to \$22,500 in salary deferrals; \$30,000 if age 50 or older. For <b>2024:</b> Up to \$23,000 in salary deferrals; \$30,500 if age 50 or older.
<b>Max. contribution across all plans</b>	Total employer & employee contributions across all plans cannot exceed: \$66,000 for 2023; \$69,000 for 2024 If age 50 or older: \$73,500 for 2023; \$76,500 for 2024		
<b>Plan setup deadlines</b>	Establish by employer's tax filing deadline, plus extensions.	Establish by October 1.	Establish by December 31 (or fiscal year-end).
<b>Withdrawals</b>	10% early withdrawal penalty may apply for withdrawals taken prior to age 59½ if no exceptions apply.	10% early withdrawal penalty (25% for first 2 years of plan participation) if under age 59½, subject to certain exceptions.	10% early withdrawal penalty applies if you are under age 59½ and taking a distribution.
<b>Exception to Penalties</b>	1st-time home buyer, higher education, employment termination (after 55), military, medical, disability, death, qualified birth/adoption, etc. Varies by plan.		
<b>Required Minimum Distributions</b>	Required minimum distributions start at age 73.		

Source: Fidelity website.

**Notes:**

1. Solo 401(k) can be set up for self-employed individual (Schedule C filer) or business owner with no employees other than a spouse. For solo 401(k), annual Form 5500 filing after plan assets exceed \$250,000.

2. For self-employed people, contribution limit is 20% of net earnings from Schedule C.