**401(k), SEP IRA and SIMPLE IRA Plans Compared**

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| **401(k)** | **SEP** | **SIMPLE** |
| **Plan type:** Can be defined benefit or defined contribution or profit sharing or money purchase plan | Defined contribution only | Defined contribution only |
| **Number you can own:** Owner may have two or more plans of different types, including an SEP, currently or in the past | Owner may have SEP and 401(k) | Generally, SIMPLE is the only current plan |
| **Due dates:**Plan must be in existence by the end of the year for which contributions are made | Plan can be set up later - if by the due date (with extensions) of the return for the year contributions are made | Plan generally must be in existence by October 1 of the year for which contributions are made |
| **Dollar contribution ceiling (for 2014):**$52,000 for defined contribution plan; no specific ceiling for defined benefit plan | $52,000 in 2014 | $24,000 in 2014 |
| **Percentage limit on contributions:** 50% of earnings for defined contribution plans (100% of earnings after contribution). Elective deferrals in 401(k) not subject to this limit. No percentage limit for defined benefit plan. | Lesser of $52,000 of 25% of eligible employee's compensation, $260,000 in 2014. Elective deferrals in SEPs formed before 1997 not subject to this limit. | 100% of earnings, up to $12,000 for 2014 for contributions as employee; 3% of earnings, up to $12,000, for contributions as employer |
| **Deduction ceiling:** For defined contribution, lesser of $52,000 or 20% of earnings. 401(k) elective deferrals not subject to this limit. For defined benefit, net earnings. | Lesser of $52,000 or 25% of eligible employee's compensation. Note that Elective deferrals in SEPs formed before 1997 are not subject to this limit. | Same as percentage ceiling on SIMPLE contribution |
| **Catch-up contribution age 50 or over:** Up to $5,500 in 2014 for 401(k)s | Same for SEPs formed before 1997 | Half the limit for 401(k) and SEPs up to $2,750 in 2014. |
| **Prior years' service** can count in computing contribution | No | No |
| **Investments**: Wide investment opportunities. Owner may directly control investments. | Somewhat narrower range of investments. Less direct control of investments. | Same as SEP |
| **Withdrawals:** Some limits on withdrawal before retirement age | No withdrawal limits | No withdrawal limits |
| **Permitted withdrawals**before age 59 1/2 may still face 10% penalty | Same as 401(k) rule | Same as 401(k) rule except penalty is 25% in SIMPLE's first two years |
| **Spouse's rights:** Federal law grants spouse certain rights in owner's plan | No federal spousal rights | No federal spousal rights |
| **Rollover**allowed to another plan such as a Keogh, SEP or IRA, but not a SIMPLE. | Same as 401(k) rule | Rollover after 2 years to another SIMPLE and to plans allowed under 401(k) rule |
| **Some reporting duties** are imposed, depending on plan type and amount of plan assets | Few reporting duties | Negligible reporting duties |