

2019 Retirement Plan Comparison

Whether you're an employer who wants to help your employees work toward a secure retirement, or someone who wants to plan for your own future, this handy guide can help you narrow the focus and zero in on a retirement plan that could work for you in 2019.

2019	Traditional IRA	Roth IRA	SEP	SIMPLE IRA
Plan Features	Contributions may be tax deductible (if individual falls within income guidelines); can be used in conjunction with any retirement plan	Tax-free growth and distributions (provided certain conditions are met); nondeductible contributions may be made even after age 70½; can be used in conjunction with any retirement plan	Employer-funded; easy to establish and maintain; minimal IRS filings and paperwork; low cost	Employee-funded; easy to establish and maintain; no ADP/ACP nondiscrimination testing; mandatory employer contributions; employer cannot maintain another retirement plan
Who May Establish	Age limit: 70½ Income limit: None	Age limit: None Income limit: \$137,000 for single and \$203,000 for joint	Sole proprietors, partnerships, corporations, nonprofits, government entities	Employers with 100 or fewer employees, including sole proprietors, partnerships, corporations, nonprofits, and government entities
Establishment Deadline	Tax filing deadline (generally April 15)	Tax filing deadline (generally April 15)	Tax filing deadline plus extensions	October 1
Contribution Deadline	Tax filing deadline (generally April 15)	Tax filing deadline (generally April 15)	Tax filing deadline plus extensions	Salary deferrals made on each pay period; employer contributions by tax filing deadline plus extension
Contribution Limits/Requirements	Annual contributions of up to \$6,000 or 100% of compensation (whichever is less); catch-up contributions of \$1,000 if age is 50 or older; non-employed spouses may also contribute up to \$6,000 per year if conditions are met (\$7,000 if over 50)	Annual contributions of up to \$6,000 or 100% of compensation (whichever is less); catch-up contributions of \$1,000 if age is 50 or older; non-employed spouses may also contribute up to \$6,000 per year if conditions are met (\$7,000 if over 50)	25% of compensation up to \$56,000; approximately 20% for sole proprietors (due to self-employment deduction)	Employees can defer up to \$13,000; catch-up contributions of \$3,000 if age 50 or older; employer must match dollar for dollar up to 3% of compensation (can be lowered to 1% for two of every five years) OR 2% of compensation as a non-elective contribution

2019	Traditional IRA	Roth IRA	SEP	SIMPLE IRA
Who Contributes	Individual	Individual	Employer	Employee and Employer
Maximum Employee Eligibility Requirements	N/A	N/A	Age 21 or older, worked three of last five years and earned at least \$600 in each of those years; may exclude union employees and nonresident aliens	Earned at least \$5,000 during any two prior years and is expected to earn at least \$5,000 in current year; may exclude union employees and nonresident aliens; no age limit restriction
Vesting	100%	100%	100%	100% for both employee and employer contributions
Distributions	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax; minimum distributions required at 70½ exceptions to 10% penalty may apply	Tax-free distributions allowed provided certain conditions are met; no minimum distributions required at age 70½	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax; minimum distributions required at 70½ exceptions to 10% penalty may apply	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax (25% penalty applies if distribution is within two years of participation); minimum distributions required at 70½ exceptions to 10% penalty may apply
Loan Features	Not available	Not available	Not available	Not available
Plan Administration	None	None	None	None