

Establish a SEP plan and begin saving for retirement today.

Thinking of establishing a retirement plan for your business but overwhelmed by the complexity of qualified retirement plans? Consider a simplified employee pension (SEP) plan. SEP plans are available to most types of businesses, including sole proprietorships, partnerships, corporations, tax-exempt entities, and state and local governments. SEP plans generally are less expensive and easier to maintain than other retirement plans, which makes SEP plans an excellent choice for small businesses.

For More Information

Please contact one of our representatives for more information about SEP plans.

SEP Plans

Securing Your Retirement One SEP at a Time



Follow these simple steps to establish a SEP plan and begin growing your retirement.



SEP Plans and Traditional IRAs

SEP plan contributions are made to each employee's Traditional IRA. Each SEP plan-eligible employee must establish a Traditional IRA. If an employee is either unwilling or unable to establish a Traditional IRA, an employer may execute the necessary documents and establish an IRA on behalf of the employee. Once a SEP plan contribution is made to the Traditional IRA, it takes on the same characteristics of the Traditional IRA.

SEP Plan Eligibility

All employees generally are eligible to participate, though the employer may exclude

- employees under age 21,
- employees who have not worked in three of the immediately preceding five years,
- certain union or nonresident alien employees, and
- employees not earning the minimum annual amount* (\$550 for 2010 and for 2011).

The owner of the business also must meet the eligibility requirements to receive a SEP plan contribution.

*These limits are subject to annual cost-of-living adjustments.

SEP Plan Contribution Limits

The maximum annual contribution is based on a per-employee limit of the lesser of 25 percent of the employee's compensation up to a defined compensation cap* (\$245,000 for 2010 and 2011) or a set dollar amount* (\$49,000 for 2010 and 2011).

Advantages of a SEP Plan

- ✓ Simple to administer and maintain
- ✓ No government reporting
- ✓ Easy-to-understand documents
- ✓ No fiduciary liability for investments
- ✓ Discretionary annual contributions

Deadline for Establishing and Funding a SEP Plan

An employer has until the business's federal income tax return due date, including extensions, to establish and fund a SEP plan.

Tax Benefits of a SEP Plan

- ✓ Employer contributions are tax-deductible.
- ✓ The employer may receive tax credit for start-up costs.
- ✓ Assets remain tax-deferred until distributed.
- ✓ Distributions are taxed as ordinary income.