

SEP IRA vs. SIMPLE IRA

Comparison	SEP IRA	SIMPLE IRA
Employer Size	No limit	100 or fewer eligible employees
Establishment Deadline	Tax filing due date, plus extensions	October 1st of each year
Annual Employee Salary Reduction Contributions	Not available	100% of compensation or \$10,000 for 2006. Participants age 50 or over may also make catch-up deferral contributions of \$2,500 in 2006 for a total of \$12,500.
Annual Employer Contributions	0 - 25% of individual's compensation or \$42,000 maximum for 2005 (\$44,000 for 2006)	Required match of 3% of compensation (employer may elect a lower limit of at least 1% in any 2 of 5 years), or non-elective contribution for all eligible employees of 2% of compensation.
Vesting	100% immediate	100% immediate
Investment Discretion	Self-directed accounts only	Self-directed accounts only
Combination of Plans	Employer may operate any other plan in the same year within funding and coverage limits.	Employer may not operate any other plan in the same year. Employees may have IRAs.

*MAM Wealth Management and its Financial Advisors do not offer tax advice. Individuals should consult their personal tax advisor before making any tax-related investment decisions.”

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