

## **SEP IRAs**

**A Security Benefit SEP IRA plan provides a simple way to offer an easy, low-maintenance retirement option for employers, including:**

A Simplified Employee Pension (SEP) is a written plan that allows small-business owners to make retirement contributions to traditional IRAs (SEP IRAs) set up for themselves and each eligible employee.

- Tax-deferred growth
- All contributions 100%, immediately vested
- No plan level restrictions on withdrawals (IRA rules apply)
- No administrative costs
- Available for any business type, including non-profit and government
- Easy to set up and maintain
- Great last minute tax planning tool

SEP IRA contributions may be deducted from business income and excluded from employees' income. A SEP IRA may not only provide a tax-advantaged way to save for retirement, but may also help business owners attract and retain qualified employees by providing for their retirements. It may also help businesses avoid some of the complexities posed by certain other employer-sponsored retirement plans.

### **Who can establish a SEP IRA?**

Self-employed individuals and employers, including sole proprietors, partnerships, C corporations, S corporations, limited liability companies, and limited liability partnerships, can establish a SEP IRA. Small business owners do not need to employ others to set up a SEP IRA, but if they do have employees, then all eligible employees must be included as SEP IRA participants.

### **How much can a small business contribute to a SEP IRA?**

IRS guidelines set the limits employers can contribute to an employee's SEP IRA each year. This year's guidelines are available in our [Tax Center](#) or this [SEP IRA Fact Sheet](#). For those self-employed, contributions to a SEP IRA are calculated differently. Compensation is considered net earnings from self-employment less the deduction for contributions to a SEP IRA and the deduction allowed for one-half of the self-employment tax.

- [SEP/SIMPLE IRAs and 401\(k\) Plan Comparison Fact Sheet](#)

**For more information on setting up a SEP IRA plan, contact us at [800.747.5164](tel:800.747.5164), option 3.**

## Related Resources

- [Advisor Mutual Fund Program](#)
- [Small Business Plans](#)

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