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| ***IRS Notice 2018-83*****2019 Pension Comparison Table 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|    |  **Traditional IRA** |  **Roth IRA** | **Non-Deductible IRA** |  **Roth 401-K** |
| **Highlights** | Excellent savings plan for those not covered by other plans but who have earned income | Great long-term plan that offers tax-free accumulations and withdrawals | Worst of the 3 IRAs but better than nothing | Fantastic way to save big bucks with no future taxation, but must be employer sponsored |
| **Max. Employee Contribution** | $6,000 | $6,000 | $6,000 | $19,000 |
| **Max Employer Contribution** | N/A | N/A | N/A | $56,000 |
| **Max Contribution All Sources** |  $6,000 |  $6,000 |  $6,000 |  $56,000 |
| **Over Age 49 Additional Catch-Up** |  $1,000 |  $1,000 |  $1,000 |  $6,000 |
| **Tax Deduction** | Yes | No | No | No |
| **Withdrawals** | Taxed | Nontaxable | Earnings Taxed | Nontaxable |
| **Earnings** | Tax Deferred | Nontaxable | Tax Deferred | Nontaxable |
| **Penalty Exceptions** | Death, disability, education, 1sthome, more | Death, disability, education, 1sttime home, more | Death, disability, education, 1sttime home, more | Death, disability, education, 1sttime home, more |
| **Form By (2019)** | 4/15/20 | 4/15/20 | 4/15/20 | 12/31/19 |
| **Contribute By** | 4/15/20 | 4/15/20 | 4/15/20 | Due date + Valid Extension |
| **Penalty Issues** | 10% before 59 ½ | 10% before 59 ½ on earnings only | 10% before59 ½ | 10% before 59 ½ |
| **Tests** | 1-Earned Income2-Max age 70 ½3-Not covered by other plan4-If covered, must be below income limits | 1-Earned income2-Max Income under 133k single, 199k MFJ  | 1-Earned income | Employer sponsored |
| **Distributions** | Start by 4/1 of year after turning 70 ½ | No requirement | No requirement | Plan basedUsually 70 1/2 |
| **Bankruptcy Protection** | $1,000,000Infl. Adjusted | $1,000,000Infl. Adjusted | $1,000,000Infl. Adjusted | Unlimited |
| **5500 Required?** | No | No | No | Yes |
| **More Information** | [Pub 590](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=2ea4cf901d&e=5bf8866b61) | [Pub 590](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=889c22ae52&e=5bf8866b61) | [Pub 590](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=126289c59a&e=5bf8866b61) | [Publications 560](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=a37b18e759&e=5bf8866b61) |

 **2019 Pension Comparison Table 2**

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| --- | --- | --- | --- | --- |
|   | **Simple IRA** | **SEP** | **Solo 401-K** | **401-K** |
| **Highlights** | Excellent choice for side businesses, small businesses and those with <$50k annual income. 97% employee funded | Excellent contribution limits, no 5500 make this a winner, but 100% employer funded.Voluntary contributions. | The best plan for family businesses, those with only part-time employees as long as they want to fund more than a SIMPLE. Better than a SEP in many cases. | Excellent plan, partly employee funded, but watch the dreaded top-heavy rules which can make this a bad choice for some businesses. |
| **Max. Employee Contribution** | $13,000 | -0- | $19,000 | $19,000 |
| **Max Employer Contribution** | $13,000 | Lesser of 25% of W-2 or $56,000 | Lesser of 25% of W-2 or $56,000 | Lesser of 25% of W-2 or $56,000 |
| **Max Contribution All Sources** | $13,000 + 3% of W-2 Before Deferral |  $56,000 |  $56,000 |  $56,000 |
| **Over Age 49 Additional Catch-Up** |  $3,000 |  N/A |  $6,000 |  $6,000 |
| **Tax Deduction** | Yes | Yes | Yes | Yes |
| **Withdrawals** | Taxed | Taxed | Taxed | Taxed |
| **Earnings** | Deferred | Deferred | Deferred | Deferred |
| **Penalty Exceptions** | Most IRA exceptions | Most IRA exceptions | Most IRA exceptions | Most IRA exceptions |
| **Form By (2019)** | 10/1/19 | Due date + extension | 12/31/19 | 12/31/19 |
| **Contribute By** | Due date + extension | Due date + extension | Due date + extension | Due date + extension |
| **Penalty Issues** | 25% 1st 2 years | 10% before 59 1/2 | 10% before 59 1/2 | 10% before 59 1/2 |
| **Tests** | No other active plan | No other active plan | Family Only, Employer sponsored, other plans ok | Employer sponsored, other plans ok |
| **Distributions** | Plan basedUsually 70 1/2 | Plan basedUsually 70 1/2 | Later of 70 ½ or retirement  | Later of 70 ½ or retirement |
| **Bankruptcy Protection** | Unlimited | Unlimited | Unlimited | Unlimited |
| **5500 Required** | No | No | Yes | Yes |
| **More Information** | [Publications 560](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=dde10a7c31&e=5bf8866b61) | [Publications 560](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=b3c7ee8d50&e=5bf8866b61) | [Publications 560](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=edb9792451&e=5bf8866b61) | [Publications 560](https://taxspeaker.us11.list-manage.com/track/click?u=79b0ed6638d16af46cfbf9e90&id=59660882ea&e=5bf8866b61) |

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