

Description	Traditional IRA	Roth IRA	SEP IRA	SIMPLE IRA	SOLO 401(K)
	Individual	Individual	Small Business	Small Business	Small Business
Participants	No	No	Yes	Up to 100 Employees	Owner(s) & Spouse
Employer Annual Contribution	No	No	\$70,000	Defined by Plan <sup>1</sup>	Cannot exceed 25% of eligible compensation <sup>2</sup>
Employee Annual Contribution	No	No	No	\$16,500	\$23,500
Employee Catch-up Contribution	No	No	No	\$3,500 <sup>3</sup>	\$7,500
Increased Catch-up Contribution				\$5,250 (Ages 60-63)	\$11,250 (Ages 60-63)
Individual Annual Contribution	\$7,000	\$7,000	No	No	No
Individual Catch-up Contribution	\$1,000 (Age 50 or older)	\$1,000 (Age 50 or older)	No	No	No
Personal Loan from Account	No	No	No	No	Yes (if Allowed by Plan)
Earnings Taxable	Yes	No (If a Qualified Distribution)	Yes	Yes	Yes (Unless a qualified distribution from a designated Roth account)
Age Requirement Contributions (to Make and/or Receive Contributions)	No	No	Defined by Plan	No	Defined by Plan
Early-Withdrawal Penalty	10% (Under age 59½ unless an exception applies)	10% (Under age 59½ unless an exception applies)	10% (Under age 59½ unless an exception applies)	10% (Under age 59½ unless an exception applies) <sup>4</sup>	10% (Under age 59½ unless an exception applies)
Modified Adjusted Gross Income (to Make and/or Receive Contributions)	No	Yes	No	No	No
Required Minimum Distributions (RMDs)	Yes (Starting age 73) <sup>5</sup>	No	Yes (Starting age 73) <sup>5</sup>	Yes (Starting age 73) <sup>5</sup>	Yes (Starting age 73) <sup>5</sup>
UBIT	Depends on Asset	Depends on Asset	Depends on Asset	Depends on Asset	Depends on Asset
Invest in Single Member LLC, LP, & SP	Yes	Yes	Yes	Yes	Yes

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<sup>1</sup> Employer must match deferrals dollar-for-dollar up to 3% of compensation, make a 2% nonelective contribution to all eligible employees (up to the compensation cap under IRC Sec. 401(a)(17), which for 2025 is \$350,000), or make a reduced match on at least 1% of compensation (only allowed for 2 years of any 5-year period).

<sup>2</sup> The maximum contribution that can be made to the plan (including employer and employee contributions) cannot exceed \$70,000 plus catch-up contributions, if eligible, for 2025.

<sup>3</sup> Potential higher catch-up limits for participants in plans maintained by specified small employers.

<sup>4</sup> A SIMPLE IRA owner may face a 25% penalty if a withdrawal occurs before the two-year period has been satisfied (unless an exception applies).

<sup>5</sup> The SECURE 2.0 Act increased the age when RMDs must begin from age 72 to age 73. This is effective for distributions required in 2023 and later years, for those who reach age 72 after December 31, 2022.

**While many retirement accounts are similar in nature and provide the same investment options, there are a handful of key differences. Use this chart to help determine which one may be right for you.**

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