

Do you have a SEP or Simple IRA Retirement Savings Plan?

The Mid-America Lumbermens Association Multiple Employer Plan (MEP)* 401(k) may be just the tool you need to get all the advantages and benefits of a 401(K) retirement savings plan, while maintaining the simplicity and cost savings of a SEP or Simple-IRA retirement savings plan. By leveraging the combined buying power of MLA members, the MLA 401(k) retirement savings plan can offer each participating member the following:

- A complete retirement savings plan with a well-diversified portfolio of investment options at a significant cost savings.
- Reduction in administrative responsibilities and workload.
- Offloading of fiduciary liability for choosing and maintaining satisfactory investment options.
- Greater contribution limits compared to SEP and Simple IRA plans.
- Plan design flexibility to help manage business costs and taxes.
- Penalty free access to funds via loan provisions.
- Roth conversion option.

Summary of Plan Differences

	401(K)	Simple IRA	SEP IRA
Who can contribute	Employee, employer optional	Employee & employer	Employer only; must contribute for all eligible employees
Max employee contribution	\$19,500 w/\$6,500 catch-up if age 50+	\$13,500 w/\$16,500 catch-up if age 50+	Employees cannot contribute
Employer contributions	Discretionary up to 25% of W-2 payroll with a combined Cap of \$57,000 Plus Profit sharing	Required match of 100% first 3% of employee contribution or 2% of all eligible employees	Discretionary up to 25% of W-2 payroll with a \$57K Cap
Vesting for employer contributions	Multi-year options or immediate	Immediate	Immediate
Access to funds Prior to age 59 ½	Penalty-free loans or 10% early withdrawal penalty	25% penalty for withdrawal within the first 2 years of participation, 10% thereafter	10% penalty for early withdrawal before.
Roth conversion option	No income limitations	Not available	Not available

This summary is provided for informational purposes only and does not represent all differences of these plans. Please consult your tax advisor regarding your situation.

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