

GNSA Employers Retirement Plan Options

	Simple IRA (No Broker)	401(k)
Employer Eligibility	Any employer with no more than 100 employees with \$5,000 or more in compensation during the preceding calendar year.	Any employer with at least one employee.
Employee Eligibility	All employees who received at least \$5,000 in compensation during any 2 preceding calendar years (whether or not consecutive) and who are reasonably expected to receive at least \$5,000 in compensation during the calendar year.	Employees who have reached 21 years of age and have at least one year of service.
Employer Contribution Rules	Employers are generally required to match each employee's salary reduction contributions on a dollar-for-dollar basis up to 3% of the employee's compensation, or make nonelective contributions of 2% of each eligible employee's compensation.	While employee contributions vest immediately, employers set vesting schedule for employer contributions.
Contribution Limits	The amount an employee contributes from their salary cannot exceed \$15,500 in 2023 (adjusted annually by the IRS).	<p>Total employer and employee contributions to all of an employer's plans are subject to an overall annual limitation. The lesser of:</p> <ul style="list-style-type: none"> • 100 percent of the employee's compensation • \$66,000 for 2023 (adjusted annually by the IRS) <p>The amount employees can contribute under a traditional, safe harbor or automatic enrollment 401(k) plan is limited to \$22,500 in 2023.</p>

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Administrative Responsibilities	<p>Administrative duties include:</p> <ul style="list-style-type: none"> • Setting up the plan • Making employer contributions • Sending plan details to employees 	<p>Fiduciary duties for an administrator include processing transactions for plan participants, performing discrimination tests and audit support, monitoring the plan to ensure it remains in compliance with plan rules and federal regulations (and being prepared for compliance testing) and completing Form 5500, Safe Harbor notices compliance filings, and more.</p>
Fees	<p>SIMPLE IRA plans do not have the start-up and operating costs of a conventional retirement plan. Employees will have to pay any fees and commissions due to the financial institution investing the SIMPLE IRA plan contributions. Such fees or commissions are detailed in plain-language to the employee by the financial institution.</p>	<p>Varies by plan.</p>
Investment Options	<p>Investment options may vary depending on the financial institution that holds the account.</p>	<p>Investment options are curated and selected by employers and plan administrators.</p>

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Pros	<p>Pros include:</p> <ul style="list-style-type: none"> • Minimal administrative management • Lower costs / fees for the employee • Participants may choose account provider • No filing requirements 	<p>Pros include:</p> <ul style="list-style-type: none"> • Higher contribution limits • Roth 401(k) options • Optional employer contributions • Employer-set vesting schedule • Plan may permit loans / early withdrawal
Cons	<p>Cons include:</p> <ul style="list-style-type: none"> • Mandatory employer contributions • Inflexible contributions • Lower contribution limits • Higher penalties for early withdrawals 	<p>Cons include:</p> <ul style="list-style-type: none"> • Higher setup and maintenance costs • More administrative requirements (outsourcable) • Higher plan fees, especially for smaller businesses

Source: IRS.gov

This is Not an Exhaustive Comparison. Seek Consultation.

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