



2024 retirement plan comparison chart

Plan type	401(k)	Safe harbor 401(k)	Defined benefit	Profit sharing
Key features	Tax-deferred investing; flexibility in plan design; investment flexibility	Tax-deferred investing; no nondiscrimination testing; investment flexibility	Maximum contributions; tax advantages	Flexible contributions; investment flexibility
Target market	20+ employees	10+ employees	Businesses with stable earnings and owners close to retirement and self-employed	Businesses with fluctuating earnings and self-employed individuals
Contributors	Employee and optional employer	Employee and employer	Employer only	Employer only
Maximum eligibility requirements	Age 21 with one year of service	Age 21 with one year of service	Age 21 with two years of service ¹	Age 21 with two years of service ¹
Maximum annual salary deferral	\$23,000	\$23,000	N/A	N/A
Catch-up contributions (over age 50)	\$7,500	\$7,500	N/A	N/A
Maximum deductible annual employer contribution	25% of eligible employee compensation ²	25% of eligible employee compensation ²	Amount needed to fund plan	25% of eligible employee compensation ²
Vesting in employer contributions	Three-year cliff or graded up to six years	100% immediately on safe harbor contributions	Three-year cliff or graded up to six years	Three-year cliff or graded up to six years
Loans?	Yes	Yes	Yes	Yes
IRS Form 5500 reporting?	Yes	Yes	Yes	Yes
Distributions	Distributions can generally be made for disability, death, retirement, or termination of employment. Early withdrawal penalties may apply.	Distributions can generally be made for disability, death, retirement, or termination of employment. Early withdrawal penalties may apply.	Distributions can generally be made for disability, death, retirement, or termination of employment. Early withdrawal penalties may apply.	Distributions can generally be made for disability, death, retirement, or termination of employment. Early withdrawal penalties may apply.

Plan type	Money purchase	Individual 401(k)	SIMPLE IRA	Simplified employee pension IRA
Key features	Consistent contributions; tax advantages; investment flexibility	Tax-deferred investing; no nondiscrimination testing; investment flexibility	Tax-deferred investing; no nondiscrimination testing; no plan administration fee; investment flexibility	Easy administration; investment flexibility
Target market	Businesses with high, stable earnings and self-employed individuals	Owners and spouses only	No more than 100 employees who earned more than \$5,000 in the prior year and are self-employed	Small businesses and self-employed individuals
Contributors	Employer only	Employee and employer	Employee and employer	Employer only
Maximum eligibility requirements	Age 21 with two years of service ¹	Age 21 with one year of service	Employees earning \$5,000 in the current year and any two prior years	Age 21 with any service in three of the last five years and a minimum of \$750 compensation received during the current year
Maximum annual salary deferral	N/A	\$23,000	\$16,000	N/A
Catch-up contributions (over age 50)	N/A	\$7,500	\$3,500	N/A
Maximum annual employer contributions	25% of eligible employee compensation ²	25% of eligible employee compensation ²	100% up to 3% match for participants or 2% nonelective contribution for all eligible employees	25% of eligible employee compensation ²
Vesting in employer contributions	Three-year cliff or graded up to six years	100% immediately	100% immediately	100% immediately
Loans?	Yes	Yes	No	No
IRS Form 5500 reporting?	Yes	Yes, once assets exceed \$250,000 (including assets of all other individual 401(k) plans maintained by the employer) at the end of a plan year, and for a terminated individual 401(k) plan, in which case a Final Return is required.	No	No
Distributions	Distributions can generally be made for disability, death, retirement, hardship, or termination of employment. In-service withdrawals are only permitted at attainment of normal retirement age.	Distributions can generally be made for disability, death, retirement, hardship, or termination of employment. Early withdrawal penalties may apply.	Distributions can be taken at any time; however, withdrawals taken prior to an employee reaching age 59½ and within the first two years of participation may be subject to a 25% early withdrawal penalty. After two years, a 10% early withdrawal penalty may apply.	Distributions can be taken at any time; however, withdrawals taken prior to an employee reaching age 59½ may be subject to IRS penalties.

Plan type	403(b)/403(b) ERISA	457(b)
Key features	Tax-deferred investing; investment flexibility	Tax-deferred investing; easy administration; no plan administration fee; investment flexibility
Target market	Public educational institutions, churches, nonprofit hospitals and health organizations, and other 501(c)(3) organizations	Government agencies and certain nonprofit organizations
Contributors	Employee and employer, depending on the plan type	Employee and employer
Maximum eligibility requirements	Eligible at hire for employee deferrals; age 21 with two years of service for employer contributions ¹	None
Maximum annual salary deferral	\$23,000	\$23,000
Catch-up contributions (over age 50)	\$7,500	\$7,500 (government 457 only)
Maximum annual employer contributions	Up to 100% of eligible compensation ²	\$23,000 per participant, plus catch-up contributions
Vesting in employer contributions	Depends on the plan type	Depends on the plan type
Loans?	Yes	Depends on the plan type
IRS Form 5500 reporting?	Depends on the plan type	No
Distributions	Distributions can generally be made for disability, death, retirement, hardship, or termination of employment. Early withdrawal penalties may apply.	Distributions can generally be made for disability, death, retirement, hardship, or termination of employment.



Note: The limits in this chart are for 2024 and can be subject to change annually.

1 Immediate 100% vesting is mandatory. **2** On maximum contributions, compensation is limited to \$345,000 per year. The overall contribution limit is \$69,000, plus any applicable catch-up.

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