

INDIVIDUAL(k) OR SEP-IRA?

Which is appropriate for you? Here's a tool to help you choose.



When it comes to choosing a retirement plan, what's important to you?

- Simplicity
- Ability to maximize contributions
- Access to your assets if you need them

The individual(k) and the simplified employee pension IRA (SEP-IRA) are two employer-sponsored plans designed for small businesses. Compare the plans and decide which is right for you.

| | Individual(k) | SEP-IRA |
|---|--|---|
| Important plan deadlines | <ul style="list-style-type: none"> • Must establish a plan by last day of business in the fiscal year. (If business is on a calendar year, the plan must be established by 12/31.) • Must fund a plan by employer's tax-return due date, including extensions. | Employers must establish and fund a plan by their tax-return due date, including extensions. |
| Who can establish? | Any business that employs only owners and their spouses (including subchapter S and C corporations, partnerships, and sole proprietorships). | Small businesses with or without employees. |
| Who is eligible to participate? | Employee-owners and their spouses, including sole proprietors and partners in a partnership. | Employees who are at least age 21 and who have worked for their employer during at least three of the five preceding years. (This is the most restrictive option; an employer can choose to be less restrictive.) |
| Employer deduction contribution limits | Up to 25% of compensation | Up to 25% of compensation |
| Employee salary-deferral contribution limits | \$19,000 for 2019 | Not available |
| Employee catch-up salary-deferral contribution for ages 50 and older | \$6,000 for 2019 | Not available |
| Total contributions | 2019: \$56,000 or 100% of compensation, whichever is less (\$62,000 if age 50 or older) | 2019: \$56,000 or 25% of compensation, whichever is less |

Insurance products are issued by Pacific Life Insurance Company in all states except New York and in New York by Pacific Life & Annuity Company. Product availability and features may vary by state.

No bank guarantee • Not a deposit • May lose value
Not FDIC/NCUA insured • Not insured by any federal government agency



| | Individual(k) | SEP-IRA |
|---|---|--|
| Loans | <p>Generally available up to 50% of account balance or \$50,000, whichever is less. Establishment and repayment are subject to IRS guidelines. While the individual(k) plan itself may provide for loans, restrictions may apply depending on the investment vehicle funding the plan.</p> <p>Check with your financial advisor or tax advisor before transferring money.</p> | Not available |
| Plan document required | Yes. The Pacific Life Individual(k) Program offers the Ascensus Individual(k) document. | Yes. IRS Form 5305-SEP is available by contacting Pacific Life or logging onto the IRS website at www.irs.gov . A prototype SEP-IRA plan document also can be used. |
| IRS Form 5500 | Generally not required until plan assets exceed \$250,000 (although Form 5500 may be required). | Not required |
| Third-party recordkeeping services | <p>Provided by Ascensus through the Pacific Life Individual(k) Program. Services include:</p> <ul style="list-style-type: none"> • Contribution processing. • IRS reporting. • Loan administration. • Preparing annual statements. • Preparing Form 5500. | Not required |

Pacific Life provides the Individual(k) Program and, along with its affiliates, offers the underlying investment vehicles. Pacific Life does not provide any individual(k) or 401(k) plan administrative services. All recordkeeping and administrative services are provided by Ascensus®. Ascensus is not a broker/dealer or an investment adviser.

Plan recordkeeper mailing address:

Ascensus, Inc.

Attn: Individual(k)

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