

**SEP**

**QUALIFIED PLAN**

<b>Eligibility:</b>	Must cover all employees who: 1. Have reached age 21. 2. Have worked for you in at least 3 of the last 5 years. 3. Have received at least \$600 in compensation for 2016 and 2017.	Must cover all employees who: 1. Have reached age 21. 2. Performed 1 Year of Service (or 2 years if 100% vested on entry). 3. Year of Service means 1,000 hours.
<b>Excludable:</b>	Union and nonresident alien employees.	Union and nonresident alien employees.
<b>Participation:</b>	Must benefit 100% of eligible employees (must include employees who have terminated during the year).	May exclude 30% of eligible employees (may exclude employees who have terminated during the year).
<b>Vesting:</b>	100% vested immediately.	Choice of: 3-year 100% vesting or 2-6 year graded vesting.
<b>Contribution:</b>	Employer contribution limited to 25% of eligible compensation.  Compensation limited to \$275,000.  Contribution based on percentage of compensation.  Maximum contribution \$55,000.  Integration with social security: Higher compensated employees get more of the contributions (if document allows integration, calculation needed).  Top-heavy: Should be automatic. Employer contribution up to 3%.  No Employee contributions.  Matching contributions not allowed.	Employer contribution limited to 25% of eligible compensation.  Compensation limited to \$275,000.  Contribution based on compensation, and if desired, allocated using classes.  Maximum contribution \$55,000.  Integration with social security: Higher compensated employees get more of the contributions (calculation needed). Better allocation methods available.  Top-heavy: Keys own 60% or more of trust. If Top-heavy employer contribution up to 3%.  Employee contributions (including Roth) limited to 100% of pay up to \$18,500 (age 50 \$6,000 catch-up).  Matching contributions allowed.
<b>Loans / Hardship Withdrawals:</b>	Not allowed.	May be allowed within specific limits.
<b>Investment:</b>	Only with what the institutional document allows.	Self-Trusteed: Any investment the IRS allows.
<b>5500 Requirement:</b>	Not required.	Appropriate Form 5500 must be filed.