

SIMPLE

STANDARD 401(k)

Design:	Through an IRA	Only in a Qualified Plan.
Qualification:	Establish prior to October 1st. 100 or fewer employees. No (other) Qualified plan(s).	Establish prior to last day of plan year. Any number of employees. Allows for other qualified plans.
Eligibility:	Must cover all employees who: 1. Earn over \$5,000 during any 2 preceding years, and 2. Expect to earn at least \$5,000 in current year. May exclude Union employees and Non-resident Aliens.	Must cover all employees who: 1. Have reached age 21. 2. Performed 1 year of service or can be 2 years if 100% vested on entry. 3. "Year of Service" means 1,000 hours. May exclude Union employees and Non-resident Aliens.
Participation:	Must benefit 100% of eligible employees (must include employees who have terminated during year).	May exclude 30% of eligible employees (may exclude employees who have terminated during the year).
Vesting:	100% vested immediately in all contributions.	Choice of: 3-year 100% vesting, 6 year graded vesting or others.
Contribution:	Employee contributions limited to 100% of compensation up to \$13,500 (2020 index). Age 50 or older \$3,000 catch-up. Roth contributions not allowed. Employer must either: 1. Match \$1 for \$1 up to 3% of compensation. 2. Contribute 2% for each eligible employee (compensation limited to \$285,000). No additional employer contributions allowed.	Employee contributions limited to 100% of compensation up to \$19,500 (2020 index). Age 50 \$6,500 catch-up. Roth contributions allowed. All Employer contributions are discretionary. 1. Variable matching formulas. 2. Discretionary contributions based on compensation and maybe job class (compensation limited to \$285,000). Defined Contribution limited to \$57,000 (\$63,500 if age 50) individually or 25% of aggregate compensation.
Other Plans:	Not allowed.	Additional retirement plans allowed.

SIMPLE

STANDARD 401(k)

Testing:

ADP test not required.

ADP test required. Highly compensated employees can only contribute based on participation from non-highly compensated (unless Safe Harbor plan).

Top-heavy test not required.

Top-heavy: Key employees own 60% or more of trust. If Top-heavy, employer contribution is lesser of 3% or highest deferral (unless Safe Harbor plan).

**Loans/hardship
Withdrawals:**

Not allowed.

May be allowed within specific limits.

**Regular
Withdrawals:**

Allowed only through an IRA:
Within 2 years: Taxable + 25% penalty.
After 2 years: Taxable + 10% penalty.

Allowed at 59½ or later.

Investment:

Only employee controlled with institution (automatically under 404(c)).

Employee and/or employer directed with any investment the IRS allows (may be 404(c)).