

Important IRS Rules of Qualified Plans - 2018

Type of Plan	Last Date for Contribution	Maximum Contribution	Maximum Deduction	When To Set Up Plan	Required Mimimum Distribution
IRA	Your tax return filing deadline (not including extensions)	\$5,500 or 100% of earned income whichever is less \$6,500 if age 50 or over. Contributions are tax deductible but can not be made after 70 1/2 years of age.		You can contribute at any age if you (or your spouse if filing jointly) have taxable compensation but not after you are age 70 1/2 or older	After age 70 1/2 a required minimum distribution is required (which is calculated by a IRS formula)
ROTH	Your tax return filing deadline (not including extensions)	\$5,500 or 100% of earned income whichever is less \$6,500 if age 50 or over. Contributions are not tax deductible.		You can contribute at any age if you (or your spouse if filing jointly) have taxable compensation and your modified adjusted gross income is below certain levels.	No distribution required
SEP	Due date of employer's return (including extensions)	Smaller of \$53,000 or 25% of participant's compensation	25% of all participants compensation	Any time up to the due date of employer's return (including extensions).	After age 70 1/2 a required minimum distribution is required (which is calculated by a IRS formula)
Simple IRA and Simple 401(k)	Salary reduction contributions: 30 days after the end of the month for which the contributions are to be made. Matching or nonelective contributions: Due date of employer's return (including extensions). Elective deferral: Due date of employer's return (including extensions).	Employee contribution: Salary reduction contribution up to \$12,500, \$15,500 if age 50 or over Employer contribution: <i>Either</i> dollar-for-dollar matching contributions, up to 3% of employee's compensation, or fixed nonelective contributions of 2% of compensation.	Same as maximum contribution	Any time between 1/1 and 10/1 of the calendar year. For a new employer coming into existence after 10/1. as soon as administratively feasible	After age 70 1/2 a required minimum distribution is required (which is calculated by a IRS formula)
Qualified Plan: Defined Contribution Plan	Employer contribution: <u>Money Purchase or Profit-Sharing:</u> Due date of employer's return (including extensions).	Employee contribution: Elective deferral up to \$18,000, \$24,000 if age 50 or over. Employer contribution: <u>Money Purchase:</u> Smaller of \$53,000 or 100% of participant's compensation <u>Profit-Sharing:</u> Smaller of \$53,000 or 100% of participant's compensation	25% of all participants' compensation, plus amount of elective deferrals made.	By the end of the tax year	After age 70 1/2 a required minimum distribution is required (which is calculated by a IRS formula)
Qualified Plan: Defined Benefit Plan	Contributions generally must be paid in quarterly installments, due 15 days after the end of each quarter.	Amount needed to provide an annual benefit no larger than the smaller of \$210,000 or 100% of the participant's average compensation for his or her highest 3 consecutive calendar	Based on actuarial assumptions and computations.	By the end of the tax year	After age 70 1/2 a required minimum distribution is required (which is calculated by a IRS formula)