



Compare Small Business Retirement Plans

Use the following table to see how adding a retirement plan or changing the type of plan you offer could help in your business tax planning. Dollar limitations are updated for tax year 2011. Call us if you would like the limits for previous tax years.

	Profit Sharing	Defined Benefit	401(k)	Simplified Employee Pension (SEP)	SIMPLE IRA
When To Establish Plan	By the end of the tax year	By the end of the tax year	By the end of the tax year	Due date of tax return (including extensions)	Existing business: Any time between 1/1 and 10/1
Maximum Contribution	Smaller of \$49,000 or 100% of participant's compensation	Amount needed to provide an annual benefit no larger than the smaller of \$195,000 or 100% of average compensation for highest three consecutive years.	Employee: Defer up to \$16,500; \$22,000 if age 50 or older Employer: May contribute; total employee and employer contributions not to exceed smaller of \$49,000 or 100% of participant's compensation.	Employer: Smaller of \$49,000 or 25% of participant's compensation For SAR-SEPs established before 1997, employees may defer up to \$16,500; \$22,000 if age 50 or older	Employee: Defer up to \$11,500; \$14,000 if age 50 or older Employer: Match employee contributions up to 3% of compensation or fixed 2% nonelective contributions
Maximum Deduction	25% of all participants' compensation	Based on actuarial assumptions and calculations	25% of all participants' compensation	25% of all participants' compensation	Same as maximum contribution

Notes: Limits pertain to tax year 2011. Compensation is generally limited to \$245,000 in 2011. Calculating the contribution limit for a self-employed individual's profit sharing contribution involves a special computation. SIMPLE IRAs are available only to small employers. Sources: IRA Publication 560 and NPI.

You make **pre-tax contributions** to Retirement Plans, and get **tax-free growth** until you withdraw money. The government is encouraging you to save because *You Are Responsible For Your Own Retirement* – there are no scholarships or financial aid to help you along and Social Security income alone simply will not keep you living in comfort.

The Certified Financial Planner® professionals at Sharkey, Howes & Javer can help you determine which plan is the best for your business. [Contact](#) Sharkey Howes & Javer to set up a complimentary consultation today. Review a plan set up long ago and learn about new retirement plan options.

Sharkey, Howes & Javer has been helping Colorado business owners and employees of all income levels since 1979. No minimum assets are required, just a commitment to planning! They are compensated only for the professional planning services they provide, therefore you are assured that you are not being sold something because of a commission.

Sharkey, Howes & Javer offers Colorado companies a flexible choice of 401k retirement plans so that you can implement the plan that is best for you. Learn more by visiting [SHJ401k](#) or e-mail scott@shj.com.

Information presented is not designed to be tax, legal or investment advice and is subject to change at any time. All investments contain risks, including the loss of principal. Past performance is no guarantee of future results. Consult with Sharkey, Howes and Javer to learn more about the strategies and information presented herein.