Individual Retirement Comparison - 2007

TRUST ADMINISTRATION SERVICES ™

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	SEP IRA	Roth IRA	Traditional IRA	Simple IRA
Who Can Establish	Corporations, Sub-Chapter S, Sole Proprietorships, Partnerships, Non-Profits (not eligible for salary deferral)	Individual With Compensation	Individual With Compensation	Sole Proprietorships, Partnerships, Limited Liability Companies and Corporations with 100 or fewer employees
Contribution Limits - Employer	Discretionary; cannot exceed the lesser of 25% (20% for self-employed) of the employee's compensation or $44K) ($225K salary cap)	N/A	N/A	Required match of 100% up to 3% of employee's compensation (may be reduced to 1% in 2 of any 5 years) or 2% of compensation to all eligible employees $21K maximum combined contribution (employer & participant)
Contribution Limits - Individual	None. Contributions are generally by Employer only	Lesser of 100% of earned income, or: 2006-2007: $4,000; 2008 & beyond: $5,000 (adjusted annually for inflation after 2009) Contributions may be reduced depending on individual's modified adjusted income	Lesser of 100% of earned income, or: 2006-2007: $4,000 2008 & beyond: $5,000 (adjusted annually for inflation after 2009)	The lesser of $10,500 for 2007 (indexed for inflation each year) or 100% of compensation
Portability: Rollover Among Plans	Qualified plan, 403b, 457 government plan, SEP/IRA, IRA, Roth IRA	Roth IRA	Qualified plan, 403b, 457 government plan, SEP/IRA, IRA, Roth IRA	Qualified plan, 403b, 457 government plan, SEP/IRA, IRA, Roth IRA
Catch Up Contributions For Workers Age 50 And Older	N/A	2006 & beyond: $1,000	2006 & beyond: $1,000	$2,500 for 2006 (indexed for inflation each year)
Advantages	Simple to establish and maintain. No annual 5500 filing requirements. Contributions deductible to employer	Tax Free (subject to certain limitations)	Tax-Deferred (taxed when you begin withdrawing)	Simple to establish and maintain. No annual 5500 filing requirements. Contributions deductible to employer. No discrimination testing. Not subject to top heavy rules. Some funding responsibility with employees. Deferral reduces taxable income to employee

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	SEP IRA	Roth IRA	Traditional IRA	Simple IRA
Maximum Eligibility Requirements	Age requirement cannot exceed 21; have earned compensation in 3 of the past 5 years; received compensation of at least $500; may exclude union employees	Individual With Compensation	Individual With Compensation	Employers with no more than 100 employees who earned $5,000 or more during proceeding calendar year (cannot maintain another retirement plan)
Distributions For Age 59½ - 70 1/2	No Tax Penalty	No tax penalty for "qualified Distributions." A distribution is qualified if the Roth IRA has been established for at least five years and one of the following events occurs: attainment of age 59½ , disability, death, or first home purchase.	No Tax Penalty	No Tax Penalty
Distributions After Age 70½	Distributions must begin by April 1 of the year following the year the individual reaches age 70 ½. For subsequent years, distributions must be taken by December 31	No RMD's at any age	Distributions must begin by April 1 of the year following the year the individual reaches age 70 ½. For subsequent years, distributions must be taken by December 31	Distributions must begin by April 1 of the year following the year the individual reaches age 70 ½. For subsequent years, distributions must be taken by December 31
When Must The Plan Be Established	By tax filing date plus extensions	April 15 following the taxable year for which the contribution is made	April 15 following the taxable year for which the contribution is made	Any date between January 1 and October 1; as soon as administratively feasible for businesses established after October 1st
When Must Contributions Be Made	Employer – by tax filing date plus extension Employee – As soon as reasonable, but no later than the 15th business day of the month following the month in which the deferrals are withheld	April 15 following the taxable year for which the contribution is being made	April 15 following the taxable year for which the contribution is being made	Employer – by tax filing date plus extensions Employee – contributions must be deposited within 30 days after the end of the month to which the deferrals relate
Are Loans Available	No	NO	No	No