

2024 CLARITY RETIREMENT PLAN GUIDE

401(k) Plans	SEP IRAs	Individual/Solo 401(k)	Defined Benefit Plans
<p>Plan Features:</p> <ul style="list-style-type: none"> • Pre-tax contributions by participant reduces taxable income. • Some plans offer the ability to make after-tax contributions. • Most allow for participants to select from a variety of investment options • Employee contributions are immediately 100% vested. • Plan may shift costs from the employer to the employee, thereby reducing overall plan cost. • Requires Form 5500 to be filed on annual basis 	<p>Plan Features:</p> <ul style="list-style-type: none"> • Pre-tax contributions by employer only reduces taxable income. • Most allow for participants to select from a variety of investment options • Employer contributions are immediately 100% vested. • Minimal IRS reporting and disclosure. 	<p>Plan Features:</p> <ul style="list-style-type: none"> • Pre-tax contributions by participant reduces taxable income. • Owner/employee can maximize contribution with minimal salary. • Some plans offer the ability to make after-tax contributions. • Most allow for participant to select from a variety of investment options. • Requires Form 5500EZ to be filed on annual basis once the plan assets exceed \$250,000 other than an owner or owner's spouse enters the plan. 	<p>Plan Features:</p> <ul style="list-style-type: none"> • Employer promises a specific established level of benefits to employees at retirement. • Requires annual actuarial valuation and review. • Requires Form 5500 to be filed • Individual participants can exceed the \$69,000/ \$76,500 limit (Sec. 415) imposed by defined contributions plans.
<p>Set-up Deadline:</p> <ul style="list-style-type: none"> • December 31st (or end of employer's tax year). 	<p>Set-up Deadline:</p> <ul style="list-style-type: none"> • On or before employer's due date for filing federal tax returns (including extensions). 	<p>Set-up Deadline:</p> <ul style="list-style-type: none"> • By December 31st of the year in which you would like to receive the tax deduction. • For corporations, plan must be set up by end of fiscal year. 	<p>Set-up Deadline:</p> <ul style="list-style-type: none"> • Bbefore the corporation files taxes.
<p>Maximum Annual Contributions:</p> <ul style="list-style-type: none"> • Elective salary deferral limit of \$23,000 for 2024 (for those age 50 and over, they can make an additional catch-up contribution of \$7,500). • Overall individual limit (deferrals plus employer contributions) is 100% of compensation up to \$69,000 (or \$76,500 for those ages 50 and over). 	<p>Maximum Annual Contributions:</p> <ul style="list-style-type: none"> • The lesser of 25% of employee's net compensation or \$69,000. 	<p>Maximum Annual Contributions:</p> <ul style="list-style-type: none"> • Elective salary deferral limit of \$23,000 for 2024 (for those ages 50 and over, they can make an additional catch-up contribution of \$7,500). • Employers may also elect to contribute up to 25 percent of compensation as a profit sharing contribution, up to \$69,000 (or \$76,500 for those ages 50 and over). 	<p>Maximum Annual Contributions:</p> <ul style="list-style-type: none"> • An actuarially calculated amount, based on a benefit not to exceed 100% of a participant's compensation, up to an indexed figure currently at \$275,000 for 2024.

401(k) Plans	SEP IRAs	Individual/Solo 401(k) IRAs	Defined Benefit Plans
<p>Types of Contributions:</p> <ul style="list-style-type: none"> Participant has the ability to make pre-tax contributions through salary deferral. Some plans offer the ability to make Roth 401(k) contributions in which the participant makes after-tax contributions where earnings accumulate on a tax-free basis and distributions are tax-free as long as certain requirements are met. More plans are offering the option to make after-tax, non-Roth contributions as part of the overall contribution limit (\$69,000 for 2024 and \$76,500 for those ages 50 and over). 	<p>Types of Contributions:</p> <ul style="list-style-type: none"> Employer makes the pre-tax contributions to each eligible participant's account. 	<p>Types of Contributions:</p> <ul style="list-style-type: none"> Participant has the ability to make pre-tax contributions through salary deferral. Some plans offer the ability to make Roth 401(k) contributions in which the participant makes after-tax contributions where earnings accumulate on a tax-free basis and distributions are tax-free as long as certain requirements are met. This is subject to the \$23,000 annual deferral maximum (\$7,500 for those ages 50 and over). 	<p>Types of Contributions:</p> <ul style="list-style-type: none"> Employer makes the pre-tax contributions to the defined benefit account.
<p>Contribution Requirements:</p> <p>Elective salary deferrals are optional but subject to nondiscrimination testing. Employer may choose to match employee elective deferrals and/or make a discretionary profit sharing contributions.</p>	<p>Contribution Requirements:</p> <p>It is fully discretionary by the employer. If owners of the business contribute to their accounts, the same percentage amount needs to be contributed to each eligible employee's account.</p>	<p>Contribution Requirements:</p> <p>Elective salary deferrals and profit sharing contributions are both fully discretionary.</p>	<p>Contribution Requirements:</p> <p>Mandatory based on specified benefit formula. The amount is determined by an actuary and requires quarterly minimum contributions</p>
<p>Contribution Deadlines:</p> <ul style="list-style-type: none"> Salary deferrals should be deposited as soon as administratively feasible. The deadline for employer contribution is on or before its due date for filing federal tax returns (including extensions). 	<p>Contribution Deadlines:</p> <ul style="list-style-type: none"> The deadline for employer contribution is on or before its due date for filing federal tax returns (including extensions). 	<p>Contribution Deadlines:</p> <ul style="list-style-type: none"> Salary deferrals should be deposited as soon as administratively feasible. The deadline for employer contribution is on or before its due date for filing federal tax returns (including extensions). 	<p>Contribution Deadlines:</p> <ul style="list-style-type: none"> The deadline for employer contribution is on or before its due date for filing federal tax returns (including extensions).
<p>Eligibility:</p> <ul style="list-style-type: none"> Employees age 21 or older with one year of service must be eligible to make elective salary deferrals if a vesting schedule is imposed on employer contributions. 	<p>Eligibility:</p> <ul style="list-style-type: none"> Employees age 21 or older who have worked for the employer in any three of the preceding five years. 	<p>Eligibility:</p> <ul style="list-style-type: none"> Employees age 21 or older with one year of service must be eligible to make elective salary deferrals if a vesting schedule is imposed on employer contributions. 	<p>Eligibility:</p> <ul style="list-style-type: none"> Employees age 21 or older with one year of service must be eligible if a vesting schedule is imposed.

This material is for informational purposes only as it is not individualized and not intended to serve as the primary or sole basis for your decisions as there may be other factors you should consider. Please contact your financial advisor regarding the application of these issues to your business and individual circumstances.