

2011 Retirement Plan Options At-a-Glance



Feature	SEP	SIMPLE IRA	Money Purchase	Profit Sharing	Safe Harbor 401(k)	401(k)	Defined Benefit
Eligible Employer	Any Employer	Employers who, on any day during the preceding year, have 100 or fewer employees earning \$5,000 or more in compensation. No other plan may be maintained at the same time.	Any Employer	Any Employer	Any Employer	Any Employer	Any Employer
Establishment Deadline	Employer tax filing deadline, including extensions	October 1 current year	Last day of employer's taxable year	Last day of employer's taxable year	New plans must be established 3 months prior to plan year-end. Existing plans must be amended by 1st day of plan year	Last day of employer's taxable year	Last day of employer's taxable year
Eligible Employees	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> ■ 21 years of age ■ Employed 3 of the last 5 years ■ \$550 annual income <p>Requires 100% participation of eligible employees</p>	<p>Employees who receive \$5,000 in compensation in any two preceding years and are expected to receive \$5,000 in the current year are eligible. These requirements may be less restrictive.</p>	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> ■ 21 years of age ■ Completion of one year of service. (1,000 hours in 12 months.) <p>May be 2 years if 100% immediate vesting</p>	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> ■ 21 years of age ■ Completion of one year of service. (1,000 hours in 12 months.) <p>May be 2 years if 100% immediate vesting</p>	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> ■ 21 years of age ■ Completion of one year of service (1,000 hours in 12 months) — may be 2 years for employer contributions if 100% immediate vesting 	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> ■ 21 years of age ■ Completion of one year of service (1,000 hours in 12 months) — may be 2 years for employer contributions if 100% immediate vesting 	<p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> ■ 21 years of age ■ Completion of one year of service. May be 2 years if 100% immediate vesting ■ 1,000 hours of service per year
Contribution Limits – Employer	Employer's discretion up to 25% of employee's compensation with a maximum of \$49,000 for 2010 and \$49,000 for 2011. Contributions may continue beyond age 70½.	Employer must make matching contributions up to 3% of employee compensation or contribute 2% of total eligible employee compensation. Total employer contribution may not exceed \$11,500 per year for 2010 and \$11,500 for 2011.	As specified in plan. Up to 25% of eligible payroll with a maximum of \$49,000 per employee for 2010 and \$49,000 for 2011. Contributions may continue beyond age 70½.	Employer's discretion up to 25% of eligible payroll. Maximum allocation per employee is \$49,000 for 2010 and \$49,000 for 2011. Contributions may continue beyond age 70½.	Employer must make dollar-for-dollar matching contributions up to 3% of employee compensation and 50 cents on the dollar for the next 2% of employee compensation or contribute 3% of total eligible employee compensation. Additional discretionary profit sharing contributions allowed. Total employer contributions may not exceed 25% of eligible payroll.	Employer's discretion up to 25% of eligible payroll. Can be made as a matching or a profit sharing contribution. Contributions may continue beyond age 70½.	Actuarially computed based on age, compensation and years of service. Maximum benefit at age 65 is \$195,000 for 2010, and \$195,000 for 2011 or 100% of highest 3 years salary.
Deadline for Employer Contribution	Employer tax filing deadline, including extensions	Employer tax filing deadline, including extensions	Employer tax filing deadline, including extensions	Employer tax filing deadline, including extensions	Employer tax filing deadline, including extensions	Employer tax filing deadline, including extensions	Employer tax filing deadline, including extensions

RBC Wealth Management does not provide tax or legal advice. We will work with your independent tax/legal advisor to help create a plan tailored to your specific needs.

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2011 Retirement Plan Options At-a-Glance, continued

Feature	SEP	SIMPLE IRA	Money Purchase	Profit Sharing	Safe Harbor 401(k)	401(k)	Defined Benefit
Contribution Limits — Employee	Employees can contribute a traditional IRA contribution of up to \$5,000 for 2010 and \$5,000 for 2011, or \$6,000 for 2010 and \$6,000 for 2011 if 50 or older, to their SEP account in addition to the employer's SEP contribution.	Employees can defer up to \$11,500 per year for 2010 and \$11,500 for 2011 or 100% of compensation, whichever is less. Employees who are 50 or older can defer an additional \$2,500 in 2010 and 2011.	N/A	N/A	Employees can defer up to \$16,500 per year for 2010 and \$16,500 for 2011. Employees who are 50 and older can defer an additional \$5,500 in 2010 and \$5,500 in 2011. Employee and employer contributions per employee cannot exceed \$49,000, or \$54,000 if age 50 or older for 2010 and \$49,000 or \$54,500 if age 50 or older for 2011.	Employees can defer up to \$16,500 per year for 2010 and \$16,500 for 2011. Employees who are 50 and older can defer an additional \$5,500 in 2010 and \$5,500 in 2011. Employee and employer contributions per employee cannot exceed \$49,000, or \$54,000 if age 50 or older for 2010 and \$49,000 or \$54,500 if age 50 or older for 2011.	N/A
Deductions and Deferrals	Deduction for employer. Tax-deferred for employee.	Employer contributions deductible to employer. Tax-deferred for employee. Employee contributions are pre-tax and tax-deferred.	Deduction for employer. Tax-deferred for employee.	Deduction for employer. Tax-deferred for employee.	Employer contributions deductible to employer. Tax-deferred for employee. Employee contributions are pre-tax and tax-deferred.	Employer contributions deductible to employer. Tax-deferred for employee. Employee contributions are pre-tax and tax-deferred.	Deduction for employer. Tax-deferred for employee.
Vesting	100% vested immediately.	100% vested immediately.	Several permissible vesting schedules.	Several permissible vesting schedules.	100% vested immediately on Safe Harbor contributions. Vesting schedule allowed on non-safe harbor profit sharing contributions.	Several permissible vesting schedules.	Several permissible vesting schedules.
Loan Provisions¹	None	None	Yes	Yes	Yes	Yes	Yes
Testing	Generally not subject to top-heavy testing.	No testing.	Subject to top-heavy testing.	Subject to top-heavy testing.	Plan will pass 401(k) ADP and ACP tests if Safe Harbor rules are followed and will also meet top-heavy test requirements	Subject to ADP, ACP and top-heavy testing.	
Distributions	Same as IRA. 10% premature distribution penalty may apply. Must begin distributions at age 70½. In-service distributions allowed.	10% premature distribution penalty may apply; penalty is increased to 25% during first 2 years. Must begin distributions at age 70½. In-service distributions allowed.	10% premature distribution penalties may apply. Must begin distributions at age 70½ unless still employed ² . In-service distributions not allowed.	10% premature distribution penalties may apply. Must begin distributions at age 70½ unless still employed ² . In-service distributions available if plan document allows.	10% premature distribution penalties may apply. Must begin distributions at age 70½ unless still employed ² . In-service distributions available if plan document allows.	10% premature distribution penalties may apply. Must begin distributions at age 70½ unless still employed ² . In-service distributions available if plan document allows.	10% premature distribution penalties may apply. Must begin distributions at age 70½ unless still employed ² . In-service distributions not allowed.

¹ Loan Limits: Maximum of 50% of vested balance up to \$50,000. Payments must be made at least quarterly with level amortization. ² Owners of 5% or more of a company must start distributions at age 70½

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