



Working (and Saving) for Yourself

Being your own employer can be demanding, but saving for retirement doesn't have to be.

Time is a scarce resource for everyone. This may be especially true when you're self-employed and facing the all-consuming challenge of running your own business.

Given the demands on your time and energy, you may find that saving for retirement isn't getting the attention it deserves. To help determine the best savings options for your personal and financial circumstances, consider a retirement plan designed for the self-employed.

T. Rowe Price offers an array of plans that are easy to set up and maintain. Depending on your situation, one of the plans may meet your needs better than the others. No matter which one you choose, you can benefit from investing in a tax-advantaged account with compound growth potential.

Explore your options

The following chart highlights some of the features and benefits of four small business retirement accounts offered by T. Rowe Price. Setting up an account is easy, and you can administer and manage it online.

KEY POINTS

- Self-employed individuals and small business owners can choose from several different low-cost retirement plans.
- Some plans prioritize ease of use, while others allow for higher contributions.
- All plans are simple to set up and offer the benefit of tax-deferred growth potential.

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Small Business Retirement Plan Options

A side-by-side comparison of T. Rowe Price retirement plans.

Plan Features	Individual (Solo) 401(k)	SEP-IRA	SIMPLE IRA	401(k) for Small Businesses
Who is it for?	For one-person-business owners who want to make the highest contribution possible (for themselves and, if applicable, a spouse working for the business)	For self-employed individuals and business owners who wish to make flexible contributions for employees at a low administrative cost	For self-employed individuals and businesses with up to 100 employees who wish to allow both employee and employer contributions	Generally, for employers with fewer than 1,000 employees who wish to offer a cost-effective 401(k) plan
What are the key benefits?	Allows for the highest contributions in many cases	Easy and inexpensive to set up and maintain	A low-cost and easy-to-administer plan	Retirement plan with both employee and employer contributions, allowing sponsor and participant to maximize tax deductions and tax-deferred savings
What is the maximum employer deductible contribution?¹	25% of total compensation ² of eligible participants (i.e., owner and, if applicable, a spouse working for the business)	25% of total compensation ² of all eligible employees	Employer chooses either: <ul style="list-style-type: none"> ■ Nonelective contributions of 2% of each eligible employee's compensation² OR <ul style="list-style-type: none"> ■ Matching contributions of each employee's salary reduction contributions dollar-for-dollar up to 3%³ of the employee's compensation 	25% of total compensation ² of all eligible employees
What is the 2019 employee elective deferral limit?	The lesser of: <ul style="list-style-type: none"> ■ 100% of compensation OR <ul style="list-style-type: none"> ■ \$19,000 (\$25,000 if age 50 or older) 	N/A (employee deferrals are not allowed)	The lesser of: <ul style="list-style-type: none"> ■ 100% of compensation OR <ul style="list-style-type: none"> ■ \$13,000 (\$16,000 if age 50 or older) 	The lesser of: <ul style="list-style-type: none"> ■ 100% of compensation OR <ul style="list-style-type: none"> ■ \$19,000 (\$25,000 if age 50 or older)
Can I still contribute to an IRA?	Yes ⁴	Yes ⁴	Yes ⁴	Yes ⁴
What is the plan setup deadline?	By the end of the initial plan year, generally December 31	Your company's tax filing deadline (including extensions)	Generally, anytime prior to October 1 of each calendar year (for existing employers)	By the end of the initial plan year, generally December 31 ■

Visit [irs.gov](https://www.irs.gov) for more details on small business retirement plans.

¹The maximum deductible contribution for federal income tax purposes. ²The maximum amount of compensation that can be used in determining contribution is \$280,000 for tax year 2019. This amount is increased periodically for inflation. ³May be as low as 1% in no more than 2 years out of 5 consecutive calendar years.

⁴Contributions may or may not be deductible.

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