

	Traditional IRA	Roth IRA	SEP IRA	SIMPLE IRA	SOLO 401(K)
Description	Individual	Individual	Small Business	Small Business	Small Business
Participants	No	No	Yes	Up to 100 Employees	Owner(s) & Spouse
Employer Annual Contribution	No	No	\$66,000	Defined by Plan ¹	Cannot exceed 25% of eligible compensation ²
Employee Annual Contribution	No	No	No	\$15,500	\$22,500
Employee Catch-up Contribution	No	No	No	\$3,500 (Age 50 or older)	\$7,500 (Age 50 or older)
Individual Annual Contribution	\$6,500	\$6,500	No	No	No
Individual Catch-up Contribution	\$1,000 (Age 50 or older)	\$1,000 (Age 50 or older)	No	No	No
Personal Loan from Account	No	No	No	No	Yes (if Allowed by Plan)
Earnings Taxable	Yes	No (If a Qualified Distribution)	Yes	Yes	Yes (Unless a qualified distribution from a designated Roth account)
Age Requirement Contributions (to Make and/or Receive Contributions)	No	No	Defined by Plan	No	Defined by Plan
Early-Withdrawal Penalty	10% (Under age 59½ unless an exception applies)	10% (Under age 59½ unless an exception applies)	10% (Under age 59½ unless an exception applies)	10% (Under age 59½ unless an exception applies) ³	10% (Under age 59½ unless an exception applies)
Modified Adjusted Gross Income (to Make and/or Receive Contributions)	No	Yes	No	No	No
Required Minimum Distributions (RMDs)	Yes (Starting age 72) ⁴	No	Yes (Starting age 72) ⁴	Yes (Starting age 72) ⁴	Yes (Starting age 72) ⁴
UBIT	Depends on Asset	Depends on Asset	Depends on Asset	Depends on Asset	Depends on Asset
Invest in Single Member LLC, LP, & SP	Yes	Yes	Yes	Yes	Yes

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¹Employer must match deferrals dollar-for-dollar up to 3% of compensation, make a 2% nonelective contribution to all eligible employees (up to the compensation cap under IRC Sec. 401(a)(17), which for 2023 is \$330,000), or make a reduced match on at least 1% of compensation (only allowed for 2 years of any 5-year period).

²The maximum contribution that can be made to the plan (including employer and employee contributions) cannot exceed \$66,000 plus catch-up contributions, if eligible, for 2023.

³A SIMPLE IRA owner may face a 25% penalty if a withdrawal occurs before the two-year period has been satisfied (unless an exception applies).

⁴The SECURE Act of 2019 changed the age when RMDs must begin from age 70½ to age 72. This was effective for distributions required in 2020 and later years, for those who reach age 70½ in 2020 or a later year.

While many retirement accounts are similar in nature and provide the same investment options, there are a handful of key differences. Use this chart to help determine which one may be right for you.

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