

## INDIVIDUAL(k) OR SEP-IRA?

Which is appropriate for you? Here's a tool to help you choose.



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**No bank guarantee • Not a deposit • May lose value  
Not FDIC/NCUA insured • Not insured by any federal government agency**

## When it comes to choosing a retirement plan, what's important to you?

- Simplicity
- Ability to maximize contributions
- Access to your assets if you need them

The individual(k) and the simplified employee pension IRA (SEP-IRA) are two employer-sponsored plans designed for small businesses. Compare the plans and decide which is right for you.

	Individual(k)	SEP-IRA
<b>Important plan deadlines</b>	Employers must establish and fund a plan by their tax-return due date, including extensions.	Employers must establish and fund a plan by their tax-return due date, including extensions.
<b>Who can establish?</b>	Any business that employs only owners and their spouses (including subchapter S and C corporations, partnerships, and sole proprietorships).	Small businesses with or without employees.
<b>Who is eligible to participate?</b>	Employee-owners and their spouses, including sole proprietors and partners in a partnership.	Employees who are at least age 21 and who have worked for their employer during at least three of the five preceding years. (This is the most restrictive option; an employer can choose to be less restrictive.)
<b>Employer deduction contribution limits</b>	Up to 25% of compensation	Up to 25% of compensation
<b>Employee salary-deferral contribution limits</b>	\$23,500 for 2025	Not available
<b>Employee catch-up salary-deferral contribution for ages 50 and older</b>	\$7,500 for 2025	Not available
<b>Higher catch-up limit for ages 60-63</b>	\$11,250 for 2025	Not available
<b>Total contributions</b>	2025: \$70,000 or 100% of compensation, whichever is less (\$77,500 if age 50 or older; \$81,250 if age 60-63)	2025: \$70,000 or 25% of compensation, whichever is less



	Individual(k)	SEP-IRA
<b>Loans</b>	<p>Generally available up to 50% of account balance or \$50,000, whichever is less. Establishment and repayment are subject to IRS guidelines. While the individual(k) plan itself may provide for loans, restrictions may apply depending on the investment vehicle funding the plan.</p> <p>Check with your financial professional or tax advisor before transferring money.</p>	Not available
<b>Plan document required</b>	Yes. The business must obtain a written plan document and adoption agreement.	Yes. IRS Form 5305-SEP is available by contacting Pacific Life or logging on to the IRS website at <a href="http://www.irs.gov">www.irs.gov</a> . A prototype SEP-IRA plan document also can be used.
<b>IRS Form 5500</b>	Generally not required until plan assets exceed \$250,000 (although Form 5500 may be required).	Not required
<b>Third-party recordkeeping services</b>	<p>Services provided by the third-party recordkeeper generally include:</p> <ul style="list-style-type: none"> <li>• Contribution processing.</li> <li>• IRS reporting.</li> <li>• Loan administration.</li> <li>• Preparing annual statements.</li> <li>• Preparing Form 5500.</li> </ul>	Not required

Pacific Life does not provide any individual(k) or 401(k) plan administrative services. All recordkeeping and administrative services are provided by a third-party recordkeeper.

To learn more about retirement plans speak to your  
financial professional or visit [PacificLife.com](http://PacificLife.com)

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