



# QUICK GUIDE TO: THE SIMPLE IRA

## CONTRIBUTIONS & MATCHING

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- Contributions up to **\$13,500** for 2020 and 2021.
- Catch-Up contributions up to **\$3,000** for 2020 and will remain the same for 2021.
- Employer can choose from a **2% contribution** to all eligible employees or a **3% matching contribution**.

## TAX ADVANTAGES

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- Contributions from the business are deductible on the employer's income tax return.
- Elective contributions and investment gains enjoy tax deferral until distribution.
- **Roth option NOT available.**

## FILING & COMPLIANCE

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- Employer does not need to file a 5500.
- Discrimination testing is not required.