

2024 Self-Directed Plan Comparison

	Traditional	Roth	SEP	SIMPLE	Individual 401(k)	ESA	HSA
Eligibility ▶	Must have earned income.	No age limit. There is an income limit based on tax filing status.	Employer eligibility to establish plan: Any business (i.e., sole proprietor, partnership, or corporation). Employee eligibility to participate: <ul style="list-style-type: none"> • Have reached age 21 • Have worked for employer for at least 3 of the last 5 years • Have received at least \$650 in compensation • May be waived by an employer 	Any business with fewer than 100 employees who earned at least \$5,000 in the preceding year. Cannot contribute to any other retirement plan in the same calendar year.	Any business with no employees other than your spouse or other owners.	Any adult can establish contribute to a Coverdell ESA for any child below age 18. Do not have to be related to the child. No age restrictions apply to special needs beneficiaries.	<ul style="list-style-type: none"> • Must be enrolled in an eligible high-deductible health plan. • Not covered by another medical insurance. • Not enrolled in Medicare. • Not claimed as a dependent on someone else's tax return.
Contributions and Limits ▶	\$7,000 or 100% of compensation, whichever is less. Catch-up if age 50 or older: Additional \$1,000. Reduced by any contribution to a Roth IRA.	\$7,000 or 100% of compensation, whichever is less. Catch-up if age 50 or older: Additional \$1,000. Reduced by any contribution to a Traditional IRA.	Employer: Smaller of 25% of compensation or \$69,000. The maximum compensation amount that can be used to calculate contribution for 2024 is \$345,000.	Employer: Mandatory 3% match or 2% nonelective contribution. Employee: Deferral limit of \$16,000 (\$19,500 if age 50 or older for the calendar year).	Employer: Smaller of 25% of compensation or \$69,000. The maximum compensation amount that can be used for 2024 is \$345,000. Employee: Deferral maximum of \$23,000 plus an additional \$6,500 for individuals age 50 and older.	\$2,000 per year, per child.	Single: \$4,150 Family: \$8,050 Catch-up if age 55 or over: Additional \$1,000.
Characteristics and Highlights ▶	Potential tax-deductible contributions. Tax-deferred earnings. Pay taxes when you take distributions on taxable amounts. Contributions have no age limit. Required minimum distributions begin at age 73.	Tax-deferred earnings. Pay taxes now on contributions and pay no taxes on withdrawals of earnings when qualified status is attained. Contributions have no age limit. No required minimum distributions.	Any size of business. Employer contributions are discretionary and tax-deductible. Required minimum distributions begin at age 73.	Any business with 100 or fewer employees who earned \$5,000 in the preceding year. Elective employee salary deferral and employer matching. Required minimum distributions begin at age 73.	Designed for businesses with no eligible rank and file employees. Has the same benefits of a 401(k). Total employee deferral & employer contributions may not exceed \$69,000. Additional employee deferrals of \$7,500 for individuals 50 and older.	Use the funds to pay for any educational institution or expenses. Not required to contribute yearly. Funds can be transferred to any eligible family member below the age of 30.	Contributions can be used any year funds continue to accumulate. Earnings grow tax deferred. Withdrawals used for qualified medical expenses are tax free. You do not lose the funds if you change health plans. At age 65, funds can be withdrawn penalty-free for any purposes.