Choosing a Retirement Plan for Your Business

WE MAKE IT EASY!

Retirement plans are an important benefit for your employees and a tax benefit for you. The right plan can attract good people and help them succeed financially while staying within your financial means and reducing your taxes.

As you can imagine, retirement plan rules are complex. At D.A. Davidson & Co., we take the hassle and confusion out of your choosing, setting up, and operating the right plan for your business.

With our help, you can:

▸ select ▸ customize ▸ introduce ▸ manage ▸ administer the right retirement plan for your business.

Retirement plan services from D.A. Davidson & Co. are:

Flexible

D.A. Davidson & Co. will assist you in finding a recordkeeper to best meet your needs. We work with numerous providers to bring you high-quality administration and services. We find that the more comfortable participants are in understanding investments, the more likely they are to participate with confidence in company retirement plans.

Professional

While you're focused on growing your business, the investment professionals at D.A. Davidson & Co. are focused on helping your organization offer the best possible retirement plan solutions for your employees.

- Education – We work to educate individual employees to understand the basics of investing and each of the investment options available through their retirement plan.
- Investment Menu Selection – We review important criteria, including investment objectives, manager tenure, investment performance, volatility and other essential aspects of the potential investment options that are well-suited for your plan.

Personal

We get to know you and want what is best for you. Our investment professionals understand that formulating, implementing and managing a retirement plan is an integral part of your company's success. We want to build a relationship with your business, providing financial services to help you and your employees prosper.

The investment professionals at D.A. Davidson & Co. are also available beyond your retirement plan to work individually with your employees in the years after they retire. We are committed to our clients and the community.

Use the retirement plan summary on the back to identify the types of plans that interest you.

Let us know, and we'll help you understand the specifics for your business. From there, we can arrange everything you need to set up the right plan for your business.

PLAN TYPE [1]	CONTRIBUTION PROFILE [2]	FEATURE SUMMARY										COMMENTS
		Contributions		Vesting [3]		Plan Administration		Annual Tax Filing		Employee Borrowing on Account		
		Employer	Employee	100% — Immediate [4]	Based on yrs of service [5]	Minimal	More Substantial	Yes	No	Allowed	Not Allowed	
Simplified Employee Pension Plan (SEP)	Employer annually contributes 0-25% of total compensation of eligible employees.	✓		✓		✓			✓		✓	Employer contribution rate can vary from year to year, but generally must be the same percent for all eligible employees in any given year.
SIMPLE IRA	Employees contribute up to $14,000 [6] each in deferred income through payroll deduction. Employer either (1) matches employee contributions dollar for dollar up to 3% of individual employee compensation, or (2) contributes 2% of individual compensation for each eligible employee. If age 50 or older, catch-up contribution of $3,000 may be allowed.	✓	✓	✓		✓			✓		✓	Employer's choice of either 3% match or 2% contribution option can vary from year to year, but generally must be the same percent for all eligible employees in any given year.
Profit Sharing Plan	A maximum employer contribution of 0-25% of total employee compensation will be deductible. Employer has choices in establishing vesting schedules, contribution amounts, and eligibility.	✓			✓		✓	✓		✓		Along with 401(k) and money purchase pension plan, allows some flexibility on who can be excluded from the plan.
401(k) Deferral Plan	Similar to a profit sharing plan (0-25% employer contribution), except each employee may be able to contribute up to $20,500[7] in deferred compensation through payroll deduction. If age 50 or older, a $6,500 catch-up contribution may be allowed.	✓	✓		✓		✓	✓		✓		For many employees, allows a greater self-contribution than under a SIMPLE IRA.
Money Purchase Pension Plan	The employer contribution rate is 0-25% of total employee compensation. A profit sharing plan may be a better choice since it also allows a 25% contribution.	✓			✓		✓	✓		✓		Percent employer contribution selected in first year of plan locks in for subsequent plan years, with some provisions for amendment.

1 These plan descriptions are not all-inclusive. Before adopting any retirement plan, obtain professional legal and tax advice.

2 All employer contributions are generally tax-deductible. Also, for any employee, the maximum total employee/employer contribution in any year is the lesser of (1) $61,000, or (2) 100% of the employee's compensation. Ages 50 and over may contribute additional catch-up employee deferral of $6,500. For SIMPLE IRA contribution limits, see the SIMPLE IRA contribution profile.

3 An employee is said to be vested when (s)he becomes entitled to all employer contributions made by the employer.

4 Under 100%, immediate vesting, the employee is entitled to all employer contributions immediately upon their deposit. Further, these contributions can be withdrawn by the employee at any time, subject to tax penalties. This approach, while attractive to the employee, may defeat the employer's goal of helping employees plan for retirement.

5 Under vesting based on years of service, the employee becomes entitled to employer contributions after completing a specified period of employment. Upon vesting, the employee may make withdrawals only in the event of certain maturing events, including termination of service, retirement, death, or disability.

6 2022 — $14,000. Changes for future tax years are then indexed in $500 increments.

7 2022 — $20,500. Changes for future tax years are indexed in $500 increments.