

# Table of Contents

|                                     |           |
|-------------------------------------|-----------|
| <b>Retirement Plan Basics .....</b> | <b>1</b>  |
| Start-up credit.....                | 2         |
| <b>Compensation .....</b>           | <b>2</b>  |
| Definitions .....                   | 2         |
| HCE.....                            | 4         |
| Leased employee.....                | 5         |
| Vesting .....                       | 5         |
| <b>SEPs .....</b>                   | <b>6</b>  |
| Establishing a SEP .....            | 7         |
| Operating a SEP .....               | 8         |
| Terminating a SEP plan .....        | 18        |
| <b>SIMPLE IRA plans.....</b>        | <b>18</b> |
| Establishing a SIMPLE IRA.....      | 19        |
| Operating a SIMPLE IRA .....        | 20        |
| Terminating a SIMPLE IRA.....       | 25        |
| <b>§401(k) plans.....</b>           | <b>26</b> |
| Types of §401(k) plans .....        | 26        |
| Establishing a §401(k) plan.....    | 28        |
| Operating a §401(k) .....           | 29        |
| Terminating a §401(k) plan .....    | 48        |
| <b>Employer tax treatment .....</b> | <b>48</b> |
| Sole proprietor .....               | 48        |
| Partnership .....                   | 49        |
| Corporation.....                    | 49        |
| <b>Appendix .....</b>               | <b>59</b> |
| Appendix A: Form 5305-SEP.....      | 59        |
| Appendix B: Form 5304-SIMPLE .....  | 61        |
| Appendix C: Form 5305-SIMPLE .....  | 64        |
| <b>Index.....</b>                   | <b>69</b> |