

Simplify retirement planning with SEP IRAs

A SEP IRA is ideal for:

- Small businesses or sole proprietorships with few employees.
- Employers who want a simple, tax-advantaged retirement plan without complex administration.

How does a SEP IRA work?

- **Employer contributions only:** Employees cannot make salary deferrals.
- **Contribution flexibility:** Employers can decide each year whether to contribute.
- **Tax benefits:** Employer contributions are tax-deductible.
- **No Form 5500 filing:** SEP IRAs do not require annual IRS filing.
- **Eligibility:** Employees age 21+, who worked in three of the last five years and are expected to earn at least \$800 for 2026. Employers may choose easier requirements to let employees qualify sooner.

Flexible funding, high contribution potential

In 2026, SEP IRAs allow employers to contribute up to \$72,000 (or 25% of compensation), offering significant tax advantages and retirement savings potential compared to SIMPLE IRAs.

Contribution limits by plan type

Employee salary deferral limits shown. Employer contributions may also apply, depending on plan type and design.

Client W-2 compensation	SEP IRA	SIMPLE IRA	Individual(k)
Under age 50	Employer contributions only.	\$17,000	\$24,500
Age 50-69 and 64+		\$21,000	\$32,500
Age 60-63		\$22,250	\$35,750

Age 60-63 super catch-up contribution limits apply only if the plan sponsor elects increased deferral limits under SECURE 2.0 and eligibility requirements are met. These figures reflect the basic contribution limits. Additional or higher limits may apply under SECURE 2.0 based on plan size or choices made by the plan sponsor.

SEP IRA highlights



High contribution potential

Up to 25% of compensation, capped at \$72,000 in 2026.



Easy setup

Fast online establishment and minimal administrative burden.



Investment choice

Open architecture platform for flexible fund selection

Example of retirement saving potential

Illustrative example assumes a participant under age 50 and standard plan elections. Additional catch-up contributions may be available based on age, plan design, and employer elections.

Client W-2 compensation	SEP IRA	SIMPLE IRA	Individual(k)
\$50,000	\$12,500	\$17,000 + employer contribution	\$37,500
\$150,000	\$37,500	\$17,000 + employer contribution	\$62,500
\$200,000	\$50,000	\$17,000 + employer contribution	\$72,000

Illustrative examples do not reflect additional catch-up contributions or SECURE 2.0 enhanced deferral features. Actual contribution limits vary based on age, plan design, IRS compensation caps, and employer elections. These figures reflect the basic contribution limits. Additional or higher limits may apply under SECURE 2.0 based on plan size or choices made by the plan sponsor.

SEP IRAs offer simple, low-maintenance retirement benefits designed for small businesses

Benefits for employers:

- No plan fees at the employer level
- Employer contributions are tax deductible for the business
- Employers can determine how much to defer in SEP IRA
- Dedicated IRA service team

Benefits for advisors:

- Digital onboarding and easy plan setup
- Open architecture platform for flexible fund selection
- Three compensation packages available: fee-based, 25 bps commission-based, or 50 bps commission-based

Cost-effective pricing without employer-level fees

Optimized for	Self-employed individuals or small businesses that want to provide a retirement benefit to all employees solely through employer contributions.
Investment options	Open architecture
Pricing	
Implementation fee	\$0
Account holder quarterly fee (based on balance)	\$0 to \$10
Employer fees	\$0

Pricing is subject to change. Excludes investment expenses.

Ascensus combines award-winning service, technology, and expertise with a simplified plan design—helping you deliver more value to your clients.

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