

— SIMPLE IRA PLANS FOR SMALL BUSINESSES

Simplify retirement planning with SIMPLE IRAs

A SIMPLE IRA may be ideal for:

- Small businesses with 100 or fewer employees.
- Employers who want employee participation through salary deferrals, offering a more inclusive structure than a SEP IRA.
- Businesses looking for an easy, low-maintenance starter plan without annual filing requirements.

How does a SIMPLE IRA work?

- **Employee salary deferrals:** Employees can contribute up to annual IRS limits.
- **Required employer contributions:** Employers must choose either a matching contribution or a 2% nonelective contribution.
- **No Form 5500 filing:** SIMPLE IRAs do not require annual IRS filing.
- **Lower administrative burden:** Simple plan rules and minimal maintenance for employers.
- **Eligibility:** Employees who earned \$5,000 in any two prior years and are expected to earn \$5,000 this year are generally eligible. Employers may choose easier requirements to let employees qualify sooner.

SIMPLE IRA highlights



Predictable annual employer funding

Either matching up to 3% of compensation or 2% nonelective for each eligible employee.



Optional employee salary deferrals

Up to \$17,000 in 2026.



Easy setup

Fast online establishment and minimal administrative burden.



Investment choice

Open architecture platform for flexible fund selection.

Predictable contributions, flexible savings

In 2026, SIMPLE IRAs allow eligible employees to make salary deferrals up to IRS limits, offering a streamlined and cost-effective way to save for retirement. SIMPLE IRAs can serve as a middle-ground plan option—more inclusive than a SEP IRA and less complex than a 401(k), while still supporting retirement savings goals.

Contribution limits by plan type

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

Participant Age	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.

Example of retirement saving potential

Illustrative example assumes a participant under age 50 and standard plan 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.

SIMPLE IRAs offer predictable, low-maintenance retirement benefits designed for small businesses

Benefits for employers:

- No plan fees at the employer level
- Employee salary deferrals help support engagement
- Easy onboarding and administration
- 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	Small businesses seeking a straightforward, low-maintenance retirement plan with predictable 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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