



Why a Retirement Plan?

In today's economic environment, a strong and secure retirement plan is more important than ever. A well designed retirement plan can reward a business owner with a prosperous lifestyle at retirement through tax deductible contributions, tax-deferred growth and tax-advantaged distributions – the most efficient way to accumulate assets.

Retirement plans not only provide the means for a comfortable retirement, but they are an essential tool for helping employers attract and retain high quality, dedicated employees. Today's work force is acutely aware that Social Security benefits may be insufficient for retirement.

Why a Retirement Planning Chart?

All plans are not for everyone. Choosing the right plan means understanding a business owner's goals, employee profile and a variety of other variables. This Retirement Planning Chart offers an overview of thirteen different plans, along with key information, including plan contribution, benefit and insurance limits, as well as vesting and eligibility requirements. These key plan features will help you select a plan specifically tailored to a business's needs.



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Retirement Planning Chart 2015



**Selecting a Plan to Help Meet
Your Financial Goals**

General Type	Specific Plan Type	Plan Favors	Guardian Prototypes	Plan Contribution Limit	Individual Contribution Limit	Benefit Limit	Insurance Limit	Vesting	Plan Eligibility
Defined Contribution Profit Sharing Plans	Traditional	Younger employees	Yes	25% of eligible payroll	<ul style="list-style-type: none"> 100% of salary up to \$53,000 maximum contribution 401(k) plan elective deferral \$18,000 + \$6,000 catch-up contribution if age 50 and over 	NONE	Whole life insurance purchased by 49.99% cumulative contribution -or- Term or other non whole life insurance purchased by 25% cumulative contribution	<ul style="list-style-type: none"> Schedule based on service: 6-year graded or 3-year cliff 100% if the eligible service requirement exceeds 1 year 401(k) plan employee deferrals and matching + non-elective contributions 100% vested 	<ul style="list-style-type: none"> Minimum age is 21 Service requirement up to 2 years (1,000 hours equals 1 year of service) Maximum service requirement for a 401(k) plan is 1 year of service
	Age-Based	Older employees	No (Specimen language available)						
	New Comparability or Maximum Advantage	Older employees -or- Employee classes	No (Specimen language available)						
	401(k)	Younger employees	Yes	25% of eligible payroll + elective + catch-up deferrals					
Defined Contribution Pension Plans	Money Purchase	Younger employees	Yes	25% of eligible payroll	100% of salary up to \$53,000 maximum contribution	NONE	Whole life insurance purchased by 49.99% cumulative contribution -or- Term or other non whole life insurance purchased by 25% cumulative contribution	<ul style="list-style-type: none"> Schedule based on service: 6-year graded or 3-year cliff 100% if the eligible service requirement exceeds 1 year 	<ul style="list-style-type: none"> Minimum age is 21 Service requirement up to 2 years (1,000 hours equals 1 year of service)
	Target Benefit	Older employees	Yes						
Defined Benefit Plans	Traditional DB	Older employees	Yes	NONE* * Defined Benefit contributions are limited by actuarially determined formulas designed to meet the defined benefit under the plan.	NONE* * Defined Benefit plans are customarily not contributory by employees.	100% of salary up to \$210,000 annually ²	Whole life Insurance 100 x monthly benefit -or- Amount purchased by 2/3 theoretical contribution (Rev. Rul. 74-307)	<ul style="list-style-type: none"> Schedule based on service: Top-Heavy Plans– 6-year graded or 3-year cliff Non Top-Heavy Plans– 7-year graded or 5-year cliff 100% if the eligible service requirement exceeds 1 year 	<ul style="list-style-type: none"> Minimum age is 21 Service requirement up to 2 years (1,000 hours equals 1 year of service)
	Fully Insured or 412(e)(3) Plan (formerly known as 412(i) Plan)	Older employees	Yes						
Individual Plans	Tax Sheltered Annuity (TSA)	Younger employees	No	25% of eligible payroll	<ul style="list-style-type: none"> 100% of salary up to \$53,000 maximum contribution Elective deferral \$18,000 	NONE	Whole life insurance purchased by 49.99% cumulative contribution -or- Term insurance purchased by 25% cumulative contribution	<ul style="list-style-type: none"> Schedule based on service available for employer contribution Employee deferrals 100% vested 	<ul style="list-style-type: none"> Employees of public education systems & non-profit organizations described in Sec. 501(c)(3) of the Internal Revenue Code Employer/employee relationship
	Individual Retirement Arrangement (IRA)	Younger employees	No ³	Not Applicable	\$5,500 or \$11,000 including spouse Additional \$1,000 for each available if age 50 or older	NONE	NONE	100%	Generally individuals under age 70½ receiving compensation
	Simplified Employee Pension Plan (SEP)	Younger employees	No (IRS model forms available)	25% of eligible payroll	100% of salary up to \$53,000 maximum contribution	NONE	NONE	100%	<ul style="list-style-type: none"> Minimum age is 21, earning at least \$600 3 years of service within the preceding 5 years
SIMPLE Plans	SIMPLE IRA	Younger employees	No (IRS model forms available)	Employer must make either: Matching contribution of up to 3% of compensation but can be as low as 1% of compensation, or Non-elective contribution of 2% of compensation	\$12,500 deferral + \$3,000 catch-up contribution if age 50 or older	NONE	NONE	100%	Employers who employ 100 or fewer employees who have earned at least \$5,000 in compensation for the current year and any previous two years and who do not maintain another employer sponsored retirement plan.
	SIMPLE 401(k)	Younger employees	No (IRS model language available)	Employer must make either: Matching contribution of up to 3% of compensation or Non-elective contribution of 2% of compensation	\$12,500 deferral + \$3,000 catch-up contribution if age 50 or older	NONE	Permanent insurance purchased by 49% cumulative contribution -or- Term insurance purchased by 25% cumulative contribution	100%	Employers who employ 100 or fewer employees who have earned at least \$5,000 in compensation for the current year and any previous two years and who do not maintain another employer sponsored retirement plan.

All figures based on 2015 maximum dollar limits. These limits are indexed and may increase in future.

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Expiration: 12/31/2015

1 \$6,000 catch-up contribution available if age 50, or older

2 The dollar limitation is reduced for each year of participation less than 10 and the percentage limitation is reduced for each of service of less than 10.

3 Guardian's IRA Contracts are available to establish an IRA.