Retirement Plans for Small Businesses
Employer Guide

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Potential Tax Advantages for You and Your Business

Recognizing the huge impact that small enterprises have had on new job growth, Congress has supported a breed of retirement plans tailored to the specific needs of smaller ventures including the owner-only employer. These plans, which include SIMPLE IRAs, SEP IRAs, Individual 401(k)s and Profit Sharing plans, may be suitable for small businesses looking for competitive pricing, minimal government regulation and/or relief from having to contribute to a retirement plan every year.

Each of these plans, along with others, is discussed later in this guide. While each plan has its unique features, they offer:

- The ability for employees to take advantage of tax-deferred investment earnings to potentially accelerate the growth of retirement savings.
- Tax relief for business owners. Since employer contributions to a retirement plan are a tax-deductible expense, sponsoring a plan gives your business an immediate tax break.
- Attractive benefits to appeal to quality employees. Workers these days not only need employers’ support in saving for retirement, they expect it.

No matter what type of small business you have, you may find that a retirement plan offers benefits you can’t afford to pass up.

Chart 1

Retirement Plan Advantage
This illustration shows how much faster assets can potentially compound in a tax-advantaged retirement plan relative to a comparable investment in a non-tax-favored savings vehicle. It assumes $100 of salary saved per month at an annual 6% rate of return over a 20-year savings period.1

<table>
<thead>
<tr>
<th>Retirement plan2</th>
<th>$46,204</th>
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<tbody>
<tr>
<td>12% tax bracket3</td>
<td>$36,752</td>
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<tr>
<td>24% tax bracket3</td>
<td>$31,740</td>
</tr>
<tr>
<td>35% tax bracket3</td>
<td>$27,674</td>
</tr>
</tbody>
</table>

1. This hypothetical example is not intended to show the performance of any Oppenheimer fund for any period of time, nor does it show fluctuations in principal value or investment return.
2. Assumes a fixed average annual rate of return of 6%, on a tax-deferred basis, with dividends and distributions reinvested. Withdrawals from qualified plans prior to age 59½ may be subject to taxes and penalties. The hypothetical ending values are subject to income tax when withdrawn. Periodic investment plans do not assure a profit or protect against losses in declining markets.
3. Example assumes a tax rate of 20% on capital gains for the accounts that are not in a retirement plan. Income tax is calculated on contribution of $100 pre-tax income. Assumes income taxes paid on contributions to savings and capital gains taxes paid on gains upon withdrawal in a non-tax-deferred account.
A Plan for Every Small Business

From Profit Sharing and Defined Benefit plans to Safe Harbor 401(k) and New Comparability plans, there are retirement plans to help meet the varying needs of different types and sizes of small businesses.

To determine which one may be right for you and your business, take these factors into consideration:

- **Flexibility and Control**
  Today’s retirement plans give small employers more flexibility than ever before. This control extends to a large number of important areas, including:
  - How the plan is funded.
  - The maximum contribution amount that can be sheltered under the plan.
  - Who is eligible to participate.
  - When employees are vested.
  - The degree of administration involved.
  - The cost of the plan.

- **Ease of Administration**
  Many of our small business retirement plans have been designed to keep administrative work to a minimum. Although the amount of paperwork required by each plan does vary somewhat, you’ll find it can be easy to establish a plan.

- **Cost**
  Few small business owners can afford to pay high fees to implement and maintain a retirement plan. Fortunately, many of today’s plans are intended specifically to minimize such expenses.

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**How Do I or My Employees Qualify for a Tax Credit?**

To encourage more Americans to save for retirement, the government offers special tax incentives to small business owners who establish a retirement plan and to lower-paid employees who participate in one. Qualifying employers who start a plan may receive up to $500 per year in tax credits for start-up costs for a period of up to three years. Subject to income limitations, workers who participate may be eligible for a tax credit of up to $1,000 for contributions made to the plan. For more details, contact your financial advisor.

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Available Plans that May Be Suitable for Most Small Businesses

There are several types of retirement plans tailored to the needs and circumstances of self-employed individuals and small business owners. Here’s a brief look at each one.

SIMPLE IRA (Employers with 1–100 Employees)

SIMPLE IRAs can be ideal for business owners with 100 or fewer workers who would like their employees to share responsibility for their own retirement savings, but who don’t want the complexity, cost and administration of a 401(k). Such businesses generally include consumer establishments such as stores and restaurants, professional firms and small companies.

SIMPLE IRAs may also be appropriate plans for freelancers, independent contractors, part-timers and individuals who earn any self-employment income from activities outside of their full-time jobs.

Key Benefits
- Very simple to administer; no discrimination testing or government reporting is required by the employer.
- Allows employees to make annual pre-tax, salary-deferral contributions of up to $12,500 or 100% of income, whichever is less ($15,500 if age 50 and above) (2018).
- Individual employees can defer the maximum amount, regardless of the amounts deferred by other employees.

Important Considerations
- Employer contributions are mandatory and must use one of the following plan formulas:
  - A dollar-for-dollar match on salary deferrals up to 3% of compensation. This can be lowered to 1% in two years out of any five-year period—not limited to compensation cap of $275,000 (2018).
  - The employer can make a nonelective contribution of 2% of compensation, regardless of whether employees choose to participate—up to compensation cap of $275,000 (2018).
- Must be the employer’s exclusive plan.
- Doesn’t permit Social Security integration.
- All contributions are 100% immediately vested.
- May include part-time and seasonal employees.
- Premature additional income tax of 25% in first two years of participation.
- Loans are not permitted.
- Annual 60-day notice must be given to all eligible employees.
- Overall, the maximum annual contribution that can be made to a SIMPLE IRA is low when compared to other plans—up to $25,000, or $31,000 for individuals age 50 and above.5

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5. A participant must earn at least $416,667 to receive the maximum contribution under the SIMPLE IRA.
SEP IRA (Any Size Employer)

SEPs can be ideal if you’re a self-employed individual or small business owner who wants a simple, easy-to-administer plan that allows you to make annual discretionary tax-deductible contributions to a retirement plan. For each participant, employers are permitted to make annual tax-deductible contributions of up to the lesser of $55,000 (2018), or 25% of compensation (based on the first $275,000 of compensation).6

SEPs may also be ideal for freelancers, independent contractors, part-timers and individuals who earn any self-employment income from activities outside of their full-time jobs.

Key Benefits
- Annual contribution percentages may vary; contributions may even be skipped altogether.
- Simple to establish and maintain; no government reporting.
- Permits Social Security integration.

Important Considerations
- In general, the same percentage of compensation must be contributed for all participants.
- Involves top-heavy testing.
- All contributions are 100% immediately vested.
- Generally difficult to exclude part-timers from eligibility.
- Loans are not permitted.

What About Social Security Integration?

Retirement plans that are integrated with Social Security use a contribution formula that takes employees’ Social Security payments into account. Using such a formula allows higher-paid employees to receive a higher contribution percentage. If one of your goals is to maximize retirement plan benefits for key members of your staff, Social Security integration can be advantageous.
**Single K™ (One-Person Employer)**

Oppenheimer Funds’ Single K is a plan designed specifically for owner-only businesses that employ a spouse or the owner’s immediate family members. It’s also designed for businesses with part-time employees who are not eligible to participate in the plan. If your business fits this description—whether it’s a corporation, partnership, sole proprietorship or non-profit entity—Single K may be for you.

**Key Benefits**
- Employers can make a tax-deductible Profit Sharing contribution of up to 25% of eligible payroll (20% for self-employed individuals).
- Participants may defer the lesser of 100% of compensation or $18,500 in salary deferrals ($24,500 if age 50 and above) (2018).
- Overall maximum contribution per eligible employee is the lesser of $55,000 ($61,000 if age 50 and above) or 100% of compensation (based on the first $275,000 of compensation) (2018).
- Availability of loans and hardship withdrawals.
- Generally, nondiscrimination and top-heavy testing is not required if the plan only employs the owner and spouse.
- Roth option available.

**Important Considerations**
- All contributions are immediately 100% vested.
- Form 5500 filing requirements vary depending on family members employed and the plan’s assets. Plans that employ the owner and/or spouse are required to file when plan assets reach $250,000 or more across all qualified plans. Plans that include parents, children and/or grandchildren are required to file annually regardless of plan assets.
- If parents, children and/or grandchildren are eligible to participate, the plan may be subject to additional rules and requirements.

**Tip**

If you are retired and turn age 70½, you can avoid taking required minimum distributions (RMDs) from your Roth 401(k) account by rolling it over to a Roth IRA. Speak with your financial or tax advisor about this potential estate and tax planning strategy.

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**Roth 401(k): Another Way to Save Tax Free**

The Roth 401(k) feature makes it possible for employees to designate some or all of their contributions on an after-tax basis. Participants can save up to $18,500 in a combination of pre-tax and Roth 401(k) after-tax contributions, plus another $6,000 in catch-up contributions if they are 50 and above (2018).

Roth contributions offer several benefits:
- All participants are eligible.
- Higher contributions than a Roth IRA, with no income level restrictions.
- Provides extended tax-free growth. Participants make after-tax contributions now and take tax-free distributions at retirement.
- Provides an opportunity for you to diversify contributions and potentially hedge against years when you may be subject to higher taxes.
401(k) (Any Size Employer)

The traditional 401(k) plan is designed for businesses of all sizes that wish to have their employees share responsibility for retirement savings. With features such as availability of loans and hardship withdrawals, the 401(k) is one of the most flexible retirement plans available. As a result of these extra features, 401(k)s require more administration than other plans.

Key Benefits

- Allows employees to make annual pre-tax, salary deferral and/or Roth after-tax (optional) contributions of up to $18,500. In addition, catch-up contributions limited to $6,000 may be offered to participants age 50 and above (2018).
- Employer matching contributions (optional). Maximum tax-deductible employer contribution is 25% of the compensation paid during the year to the participants under the plan.

- Overall maximum contribution per eligible employee is the lesser of $55,000 ($61,000 if age 50 and above) or 100% of compensation (based on the first $275,000 of compensation) (2018).
- Availability of loans and hardship withdrawals.
- Vesting schedule permitted.
- Part-time and seasonal workers can potentially be excluded on the basis of eligibility requirements.

Important Considerations

- Higher cost than other plans.
- Requires filing of Form 5500.
- Nondiscrimination and top-heavy testing required.8

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8. Top-heavy testing may require an employer to make a minimum contribution on behalf of non-key employees. Top-heavy rules still apply to retirement plans such as traditional 401(k)s and SARSEPs.
Safe Harbor 401(k)

If you like the features of a 401(k) but not the cumbersome nondiscrimination plus top-heavy testing requirements that accompany it, you may find a Safe Harbor 401(k) to be a viable alternative. Safe Harbor 401(k) plans may be suitable for companies with highly compensated employees who are limited in how much they may contribute to a 401(k) because non-highly compensated employees are not participating or contributing enough to the plan.

Key Benefits

- Highly compensated employees can maximize contributions to the plan each year, even if lower-paid employees contribute very little.
- Nondiscrimination and top-heavy testing is automatically satisfied for Safe Harbor employer contributions and employee deferrals.
- Safe Harbor 401(k) offers all the same benefits as the traditional 401(k) plan.

Important Considerations

- Employer-matching contributions are required as follows:
  - A dollar-for-dollar match on salary deferrals up to 3% of compensation, and
  - 50 cents on the dollar for salary deferrals between 3% and 5% of employee compensation.
- Alternatively, a nonelective contribution of 3% of compensation for all eligible employees, regardless of whether or not they participate in the plan, is required.
- Enhanced matching contributions are permitted.
- All Safe Harbor employer contributions are immediately 100% vested.
- Requires filing of Form 5500.
- Subject to Employee Retirement Income Security Act of 1974 (ERISA) reporting requirements and IRS-required annual notice to participants.

Safe Harbor 401(k)

The Safe Harbor 401(k) is one of the most flexible, low-maintenance retirement plans available. Flexibility with less administration may seem contradictory, but it’s possible because the U.S. Congress eliminated the top-heavy rules for Safe Harbor plans. Employers and their higher-paid workers can contribute the maximum permitted under the Safe Harbor plan, enjoy its flexible plan features and, if using the matching contribution formula, do not have to worry whether lower-paid workers are participating in the plan.
Profit Sharing (Any Size Employer)

If you like the features of a SEP IRA, but want more control over your plan’s eligibility and vesting, and don’t mind some additional administrative responsibilities, a traditional Profit Sharing plan may be a good choice for you. Profit Sharing plans may be suitable for businesses with unpredictable earnings as well as those with part-time employees and/or high employee turnover.

Key Benefits

- Annual contribution percentage may vary; contributions may even be skipped altogether. Employer is allowed to make a tax-deductible contribution of 25% of eligible payroll paid during the year to the participants under the plan.
- Overall maximum contribution per eligible employee is 100% of compensation not to exceed $55,000, based on the first $275,000 of compensation (2018).
- Part-time and seasonal workers can potentially be excluded on the basis of eligibility requirements.
- Vesting schedule permitted.
- Availability of loans and hardship withdrawals.\(^9\)
- Permits Social Security integration.

Important Considerations

- In general, if the employer chooses to make a contribution to the plan, the same percentage of compensation must be contributed on behalf of all participants.\(^10\)
- Involves moderate administration and is subject to ERISA reporting requirements.
- Subject to ERISA reporting requirements and IRS-required annual notice to participants.

Money Purchase Pension Plans

Adopted primarily by small businesses and self-employed individuals who wanted to save more of their income, Money Purchase Pension plans have been rendered obsolete by the same legislative changes that made the Single K plan possible. You can contribute as much to a Profit Sharing plan as you can to a Money Purchase Pension plan. What’s more, unlike a Money Purchase Pension plan, Profit Sharing plan contributions are discretionary rather than mandatory.
Non-Traditional Profit Sharing Plans and Other Options for Small Businesses with Older, Higher-Compensated Employees

Profit Sharing plans are available in several variations that may be suitable for a wide variety of employers, including corporations, partnerships and sole proprietorships. Age-Weighted, New Comparability and Super Comparability plans offer all the benefits of traditional Profit Sharing plans with a 401(k) feature (401(k) plans), plus greater flexibility. By design they allow larger contributions to older, higher-paid owners and employees. This is because the plan contributions are based on benefits at retirement age, not on allocations of contributions to the plan. Briefly, here’s how each of them works.

Age-Weighted

If you’re a small business with one or more key employees who are older and more highly paid than the rest of the workforce, an Age-Weighted plan may be suitable for you. With an Age-Weighted plan, contributions are based on a formula that takes age, as well as compensation, into account. As a result, employees with fewer years left until they retire receive larger contributions than their younger counterparts.

Key Benefits

• Contributions for older employees may be considerably higher than those made for younger employees. Each year, you’re allowed to make a tax-deductible contribution of 25% of eligible payroll paid during the year to the participants under the plan.
• Overall maximum contribution per eligible employee is the lesser of $55,000 or 100% of compensation (based on the first $275,000 of compensation) (2018).
• Same flexibility as Profit Sharing plans. Contributions are not required every year and vesting schedules are permitted. Loans and hardship withdrawals are also available.

Important Considerations

• More administration costs than other plans.
• Subject to ERISA reporting requirements.
• No prototype documents are available.
• Subject to nondiscrimination rules and top-heavy testing.

New Comparability

New Comparability plans take Age-Weighted plans a step further. Rather than allocate contributions according to a formula based solely on age and compensation, New Comparability plans enable categorization of employees by a variety of criteria including ownership, tenure, age and job function. Each category may then receive a different contribution percentage.

Key Benefits

• Employees are grouped as “Preferred” or “Non-Preferred” with the Preferred group(s) receiving a greater portion of the employer’s overall plan contribution. The contribution limits are the same as those of a traditional Profit Sharing plan.
• Same flexibility as traditional Profit Sharing plans. Contributions are not required every year and vesting schedules are permitted. Loans and hardship withdrawals are also available.

Important Considerations

• More administrative costs than other plans.
• Subject to ERISA reporting requirements.
• No prototype documents are available.
• Subject to top-heavy testing and nondiscrimination rules.
• The IRS has issued regulations that provide specific allocation rates for New Comparability plans. Please contact your tax advisor for more information.
Super Comparability

Many small businesses that have faced challenges meeting nondiscrimination testing and top-heavy requirements have found the new Super Comparability plan to be a welcome addition to their retirement plan options. Super Comparability plans combine aspects of Safe Harbor 401(k) plans and New Comparability plans to provide the ability to make maximum contributions for highly compensated employees.

Key Benefits
- Allows employees to make annual 401(k) pre-tax salary deferrals of up to $18,500. Participants age 50 and above can contribute an additional $6,000 (2018).
- Overall maximum contribution per eligible employee is the lesser of $55,000 ($61,000 if age 50 and above) or 100% of compensation (based on the first $275,000 of compensation) (2018).
- Nondiscrimination and top-heavy testing is not required if all contributions are made solely in accordance with Safe Harbor.
- Discretionary Profit Sharing contribution is permitted.
- Enables maximum salary deferrals for highly compensated employees.

Important Considerations
- More administration costs than other plans.
- Subject to ERISA reporting requirements and IRS-required annual notice to participants.
- Safe Harbor employer contributions required annually.
- Safe Harbor employer contributions are 100% immediately vested.
- Discretionary Profit Sharing contributions are still subject to nondiscrimination rules and top-heavy testing.
The Wealthy Entrepreneur

If you’re a high-net-worth business owner whose primary objective is to maximize the benefit you and your higher-paid workers receive under the plan, speak to your financial advisor about how OppenheimerFunds can help you identify a potential solution for you.

Qualified plan options such as Age-Weighted and New Comparability Profit Sharing plans, as well as Defined Benefit plans, offer you a great opportunity to save substantial amounts of money in a shorter period of time. And thanks to legislation changes, the increased amounts that may be contributed to these plans have been made permanent.

Here’s an example of how a non-traditional retirement plan can help you provide a benefit to your rank-and-file workers while maximizing the plan’s benefit for a core group of employees—usually your high-net-worth workers.

Let’s say you own a medical practice, made up of two doctors, two nurses, three assistants and one receptionist. Your goal as the owner of the practice is to benefit from as much of the plan contributions as possible and minimize the amount you have to contribute to your employees.

Refer to our hypothetical illustration below for an example of how a Profit Sharing contribution can vary using the different types of retirement plans. Due to the complexities of some of these calculations, a tax advisor or recordkeeper should be consulted. See table for examples ▼

Traditional vs. Non-Traditional Profit Sharing Plan Allocations

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Traditional Profit Sharing Plans</th>
<th>Non-Traditional Profit Sharing Plans</th>
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</thead>
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<tr>
<td></td>
<td>Age Salary 20% Pro Rata Integrated with Social Security</td>
<td>Age-Weighted New Comparability</td>
</tr>
<tr>
<td>High-Net-Worth Workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner 1</td>
<td>54 $275,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>Owner 2</td>
<td>45 $275,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>Total</td>
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<td>$110,000</td>
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<tr>
<td>Rank-and-File Workers</td>
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<tr>
<td>Manager 1</td>
<td>41 $55,000</td>
<td>$11,000</td>
</tr>
<tr>
<td>Manager 2</td>
<td>30 $50,000</td>
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<td>Assistant 1</td>
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<tr>
<td>Receptionist</td>
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<td>Total</td>
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<td>Grand Total</td>
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The individuals portrayed in these examples are fictional. This material does not constitute a recommendation as to the suitability of any investment for any person or persons having circumstances similar to those portrayed and a tax or financial advisor should be consulted. Hypothetical reflects 2018 limitations. Contribution calculations provided by Benefits Consulting Group, Inc. (BCG). BCG is not affiliated with OppenheimerFunds Distributor, Inc.
Defined Benefit

Defined Benefit plans, as their name implies, aim to accumulate sufficient assets to provide a specific benefit at retirement. Based on the way Defined Benefit plans are funded, they can be ideal for employers with older employees who wish to accumulate assets rapidly over a shorter period of time. They also can be appropriate for high-revenue companies and smaller employers that can afford to make higher contributions.

Key Benefits

• No other qualified plans allow for higher contribution levels than Defined Benefit plans.
• Maximum retirement benefit is 100% of average compensation for the three consecutive years in which the participant’s compensation was the highest, up to a maximum of $220,000 a year (2018).
• Defined Benefit plans help take the guesswork out of retirement plan savings. Employees will know how much they can expect to receive at retirement.

• It is possible to contribute 100% of employee compensation up to $18,500 (or $24,500 with catch-up at age 50 and above) plus an employer contribution of up to 6% of compensation to a 401(k) plan, such as a Single K, and still fund a Defined Benefit plan. 11

Important Considerations

• Plans are more expensive to establish and maintain. The services of an actuary are required to calculate and certify plan contributions.
• Annual plan contributions are required.
• Plans must be monitored each year to ensure that the funding stays on target. Plans can be amended to lower or raise the benefit. The benefit of the plan must be paid, regardless of how the plan’s investments perform.
• Subject to ERISA reporting requirements.
• May require coverage by Pension Benefit Guaranty Corporation.

Defined Contribution, Defined Benefit. What’s the Difference?

Defined contribution plans (like a Profit Sharing or 401(k) plan) specify the funding formula used to determine a plan’s annual employer contribution, but don’t stipulate a specific benefit at retirement. The savings an employee ends up with at retirement depends on how the plan’s investments performed over time. Defined benefit plans (like a traditional corporate pension) promise a certain benefit based on a formula that generally takes into account an employee’s age, salary and years of service. The risk of investing plan funds to produce the guaranteed benefit is borne by the employer.
Evaluate Your Business’ Needs Worksheet

As you can see, each of the plans discussed has a unique combination of features. Your financial, tax and business situation will dictate which plan options are appropriate for your consideration. Take a moment to answer the following questions to help you start thinking about which retirement plan may be best for your business. After you’ve completed the questionnaire, bring it with you when you speak with your financial advisor. He or she can use this as a starting point toward helping you identify the plan that best meets your needs and objectives.

1. Do you currently have a retirement plan?
   - Yes. Please specify type of plan
   - No

If you already offer a retirement plan, you may wish to consider ways to enhance the existing plan before establishing a new one.

2. Approximately how many people do you employ?
   - None (owner-only and/or spouse)
   - 1–9
   - 10–20
   - More than 20

If yours is an owner-only business, then a SEP or Single K may be appropriate for you. If you have several employees, a SEP, SIMPLE (less than 100 employees), 401(k) or Profit Sharing plan may be a better alternative.

3. What type of employer-funded contribution do you intend to offer?
   - None
   - Employer discretionary
   - Employer matching
   - Employer basic (nondiscretionary)

If your objective is to offer employer contributions and keep administration work and fees to a minimum, then consider a SEP or SIMPLE plan. However, if your goal is to provide contributions for specific groups of employees, a qualified plan such as a 401(k) or Profit Sharing plan may be the better choice. If you do not plan to offer employer contributions but want to offer your employees a valuable benefit, a Payroll Deduction IRA may be the best choice.

4. Which is a higher priority: administrative simplicity and low cost, or plan design flexibility?
   - Simplicity and low cost
   - Plan design flexibility

Consider implementing a SEP or SIMPLE plan. These plans tend to have fewer administrative complexities. However, the trade-off is that such plans are less flexible in terms of plan design.

If you understand and are willing to take on the responsibility of running a more complex plan, and if design flexibility is a priority, then you should consider a 401(k) or Profit Sharing plan.
OppenheimerFunds assesses an annual account maintenance fee (Fee) to retirement accounts with balances under $50,000.

## Retirement Plans At-A-Glance

<table>
<thead>
<tr>
<th>Who Can Establish</th>
<th>SIMPLE IRA</th>
<th>SEP IRA</th>
<th>Payroll Deduction IRA</th>
<th>Single K&lt;sup&gt;SM&lt;/sup&gt;</th>
<th>401(k)</th>
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<tbody>
<tr>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>No governmental agencies</td>
</tr>
</tbody>
</table>

| Maximum Eligibility Requirements | Employees earning $5,000 in the current year and $5,000 in any two preceding years | Age 21 and service with employer in any three out of the last five years with $600 in earnings | Earned Income Under age 70½ for Traditional IRA | Age 21 and one year of service | Age 21 and two years of service<sup>12</sup> |

| Employer Contribution Required | Yes | No | No | No | No |

| Employee Deferral Limit | $12,500 ($15,500 if age 50 and above) | No | $5,500 ($6,500 if age 50 and above) | $18,500 ($6,000 age 50 catch-up) | $18,500 ($6,000 age 50 catch-up) |

| Overall Maximum Contribution | $25,000 ($31,000 if age 50 and above) | $55,000 | $5,500 ($6,500 if age 50 and above) | $55,000 ($61,000 if age 50 and above) | $55,000 ($61,000 if age 50 and above) |

| Roth Option Available | No | No | Yes | Yes | Yes |

| Vesting Schedule Permitted | No | No | No | No | Yes |

| Hardship Withdrawals | No | No | No | Yes | Yes |

| Loans | No | No | No | Yes | Yes |

| Form 5500 Filing Required | No | No | No | Yes<sup>14</sup> | Yes |

<table>
<thead>
<tr>
<th>Annual Account Maintenance Fee</th>
<th>Less than $50k</th>
<th>$25</th>
<th>$25</th>
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<td>$50k or greater</td>
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<td>$30&lt;sup&gt;15&lt;/sup&gt;</td>
<td>$30&lt;sup&gt;15&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

12. Requiring two years of service mandates 100% immediate vesting.
13. Vesting schedule available for discretionary employer contributions only.
14. OppenheimerFunds, Inc. does not provide Form 5500 preparation. Discuss with your plan’s tax advisor for reporting requirements.
15. The Fee will be waived for each retirement product maintained if the total investment value in Oppenheimer funds retirement and/or non-retirement accounts excluding OppenheimerFunds direct-sold 529 plans, is $50,000 or more.
<table>
<thead>
<tr>
<th>Safe Harbor 401(k)</th>
<th>Profit Sharing</th>
<th>Age-Weighted</th>
<th>New Comparability</th>
<th>Super Comparability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who Can Establish</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
<td>Sole proprietors, partnerships, S-corporations, C-corporations, non-profits, governmental agencies</td>
</tr>
<tr>
<td>No governmental agencies</td>
<td>No governmental agencies</td>
<td>No governmental agencies</td>
<td>No governmental agencies</td>
<td>No governmental agencies</td>
</tr>
<tr>
<td>Maximum Eligibility Requirements</td>
<td>Age 21 and two years of service</td>
<td>Age 21 and two years of service</td>
<td>Age 21 and two years of service</td>
<td>Age 21 and two years of service</td>
</tr>
<tr>
<td>Employer Contribution Required</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Employee Deferral Limit</td>
<td>$18,500 ($6,000 age 50 catch-up)</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Overall Maximum Contribution</td>
<td>$55,000 ($61,000 if age 50 and above)</td>
<td>$55,000</td>
<td>$55,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>Roth Option Available</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Vesting Schedule Permitted</td>
<td>Yes¹³</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Hardship Withdrawals</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Loans</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Form 5500 Filing Required</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Annual Account Maintenance Fee</td>
<td>Call your financial advisor and request a quote from OppenheimerFunds</td>
<td>Call your financial advisor and request a quote from OppenheimerFunds</td>
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<td>Call your financial advisor and request a quote from OppenheimerFunds</td>
</tr>
<tr>
<td>Other account fees, fund expenses and service fees may also apply.</td>
<td>Call your financial advisor and request a quote from OppenheimerFunds</td>
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<td>Call your financial advisor and request a quote from OppenheimerFunds</td>
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</tr>
</tbody>
</table>
The Experience and Support of OppenheimerFunds

No matter what type of retirement plan you establish, you can do so knowing that each one is supported by a strong, tested industry leader dedicated to providing potential solutions to help meet investors’ needs.

Driven by Our Values

OppenheimerFunds has become one of the most recognized, trusted financial services companies by adhering to our core corporate values—passion, collaboration, integrity and excellence. These reflect our belief that success is measured equally by what we achieve and how we achieve it.

High Conviction Active Management

Our disciplined investment process and experienced management teams combine the power of a sharply focused long-term approach to investing with the support of independent risk management oversight. OppenheimerFunds manages more than 60 strategies, covering global and U.S. equities, fixed income and alternatives. Our investment professionals are organized into independent teams that specialize in one area of the market. This approach is designed to yield innovative investment ideas and translates into low securities overlap from fund to fund.

Strategies to Help Meet Today’s Challenges

While all investors want solid performance, each has unique goals that may shift over time. That’s why we offer a full range of investments across asset classes and styles, as well as several retirement plan options, highlighted in this guide. To help you reach important objectives, such as helping employees save for retirement, we offer:

• **Expert support**  OppenheimerFunds can provide in-depth consultation and analysis to help you choose an appropriate plan, plus guidance and assistance throughout the enrollment process.

• **Attractive pricing**  We strive to deliver top-quality products and services at highly competitive costs and offer small business owners several desirable features, including share class flexibility.

• **Convenience**  We provide online account access, easy-to-read statements and access to the Contribution Processing System, which will help you manage plan contributions more efficiently.
A Smart Decision for Today—and Tomorrow

Now’s the time to consider all the tax and savings advantages a retirement plan can provide. Though putting a plan in place can seem daunting, it may be one of the best financial decisions you’ll ever make.

Inside, you’ll learn about:

- Significant potential advantages for you and your business
- Plans for most small business
- The experience and support of OppenheimerFunds

Talk to your advisor today about the potential benefits of implementing a retirement plan for your business.