



SEP IRAs

are completely employer-funded and allow you to work with an advisor to select and direct the investments as you work towards meeting your retirement goals.

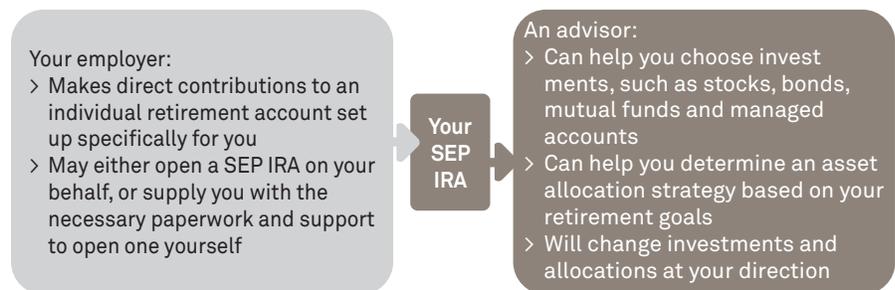
Key Benefits

- You receive a valuable, tax-deferred employee benefit for your retirement
- Your employer contributes to your account, but working with an advisor, you choose and manage your own investments
- Features immediate vesting (ownership and control) of the account
- SEP IRA accounts are portable. If you leave the employer at some point, you can take your retirement assets with you

Saving and investing for a comfortable retirement may be one of the biggest financial challenges you will face. Fortunately, your employer is providing you with the opportunity to participate in a Simplified Employee Pension Individual Retirement Account, also known as a SEP IRA, to help you plan for your retirement. Once a business chooses to offer a SEP IRA, it must be provided to all eligible employees (see table on next page).

A SEP IRA is a retirement account that is funded totally by your employer—as an employee, you do not make contributions. However, you have control of the investments, and any interest and capital appreciation in the account is tax deferred.

How SEP IRAs work



Contributions

- > May vary from year to year, depending on the business' profitability or growth
- > Must be the same percentage of compensation for all participating employees

Distributions

- > One indirect rollover per person is allowed in any one-year period between IRAs—no matter how many IRAs you have
- > Funds must be rolled over to another IRA or qualified plan within 60 days
- > You can make withdrawals at any time subject to certain restrictions. However, you cannot take a loan from your SEP IRA

Money withdrawn from a SEP IRA (and not rolled over to another plan) is subject to income tax for the year in which you receive a distribution. As with most other retirement plans, if you withdraw money from a SEP IRA before age 59½, for reasons other than death or disability, an additional 10% early withdrawal federal tax penalty generally applies. There may also be state tax implications.

You must begin taking minimum required distributions by April 1 of the year after you reach age 70½.

How An Advisor Can Help

Create a retirement strategy

An advisor can help you map out a holistic retirement planning strategy, taking into consideration your retirement goals, timeframe and risk tolerance.

Choose investment options

SEP IRAs offer a wide variety of investment options including individual stocks and bonds, mutual funds, managed accounts or other investment instruments.

Determine your asset allocation

The first step after your employer makes a contribution to your SEP IRA is to determine how to allocate your assets among available investment options.

Review and track performance

You will receive consolidated account statements for your SEP IRA, making it is easier for you and your advisor to track, evaluate and review the performance of your investments and make any course corrections necessary.

SEP IRA	2016 and 2017
Eligible Employees	21 years of age or older, employed three of the last five years, earning at least \$600 for 2016 and 2017, including part-time, seasonal, terminated or deceased
Contributions Allowed	Employer contributions only
Contribution Limit	Up to 25% of the employee's compensation (\$53,000 in 2016 and \$54,000 in 2017) or 20% of modified net profit for unincorporated businesses, whichever is less ¹
Investment Selection	The employee, working with an advisor, controls the investment selection and asset allocation
Minimum Age to Take Distributions Without Penalty	59½ (excluding death or disability)
Mandatory Age Distributions Must Begin	April 1 of the year after you reach age 70½

Based on Internal Revenue Service Data, December 2016. This chart is intended to provide general information and is not intended as tax or legal advice. The rules governing contribution limits are complex, and you should consult with your plan administrator to understand the limitations, rules and regulations that apply to your plan.

Talk to an advisor to find out more

The advisor working with your employer can help you review your specific situation and retirement goals and answer questions about the features and benefits as well as any risks associated with your SEP IRA. Carefully review the plan, its investment options and costs before investing.

¹ Only the first \$265,000 in 2016 and \$270,000 in 2017 of an employee's compensation can be considered when calculating contribution maximums.

Note: Investing involves risks, including the possible loss of principal. Investments are not FDIC insured and not insured by any federal government agency and may lose value. Different investments carry different types and degrees of risk and may not be suitable for all investors. You should familiarize yourself with those risks before investing. This summary is for general information purposes only.

Pershing LLC does not provide tax or legal advice. Individuals should seek professional advice before contributing to a retirement plan, making any investment decision or taking distributions from a retirement plan.

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