



## BUSINESS RETIREMENT ACCOUNTS

Women's Financial Network at Siebert offers a comprehensive retirement product line designed for business owners and their employees. Use this guide to help determine which product best suits your needs. Please call us toll-free 1-877-WFN-4YOU (1-877-936-4968) Monday - Friday 8:30 a.m - 6:30 p.m. EST to open an account, ask questions or request additional information.

WHAT IS IT?	WHO IS IT FOR?	WHEN DO I SET IT UP?	HOW CAN I CONTRIBUTE?	WHEN CAN I ACCESS THE FUNDS? <sup>1</sup>
<b>1. SIMPLIFIED EMPLOYEE PENSION PLAN (SEP-IRA)</b>				
<ul style="list-style-type: none"> <li>• Employer makes annual contributions to employees' IRAs.</li> <li>• Contributions are discretionary and employer tax deductible.</li> <li>• 100% immediate vesting.</li> <li>• Account balances grow tax deferred until withdrawn.</li> <li>• Fewer administrative requirements than qualified plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Self-employed individuals and small-business owners who want a plan that is relatively easy to set up and administer.</li> <li>• Available to sole proprietors, partnerships, corporations, "S" corporations, and non-profit organizations.</li> <li>• IRS prototype may be used by employers who never had a qualified plan and never covered employees under a defined benefit pension plan.</li> <li>• Must include employees who:               <ul style="list-style-type: none"> <li>-Are a minimum age of 21</li> <li>-Have worked for the employer for any three of the immediate past five years and earned at least \$450 a year (for 2001) as indexed thereafter.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Plan must be adopted by the employer's tax-filing deadline, including extensions.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum employer contribution is the lesser of 15% of total net compensation<sup>2</sup> or \$25,500 (for 2001) as indexed thereafter per participant (13.043% if self-employed).</li> <li>• Uniform contribution rate for employees and employer.</li> <li>• Contributions are due by the the employer's tax-filing deadline, including extensions.</li> </ul>	<ul style="list-style-type: none"> <li>• Penalty free distribution events:               <ul style="list-style-type: none"> <li>-Attainment of age 59fi.</li> <li>-Death or disability.</li> <li>-Series of substantially equal payments.</li> <li>-Health insurance premiums for certain unemployed individuals.</li> <li>-Qualified higher-education expenses.</li> <li>-Qualified first time home purchase (\$10,000 lifetime limit).</li> <li>-Certain medical expenses in excess of 7.5% of Adjusted Gross Income (AGI).</li> <li>-IRS levy under Section 6331 of the Internal Revenue Code.</li> </ul> </li> <li>• Minimum distributions must begin by April 1 following the year an individual turns age 70fi and must occur by December 31 each year thereafter.</li> </ul>
<b>2. SIMPLE IRA</b>				
<ul style="list-style-type: none"> <li>• Simplified retirement plan that is easier and typically less expensive to administer than a 401(k) plan.</li> <li>• Allows for both:               <ul style="list-style-type: none"> <li>-Voluntary employee salary-deferral contributions</li> <li>-Mandatory employer contributions that are generally tax deductible for the employer.</li> </ul> </li> <li>• 100% immediate vesting</li> <li>• Employee account balances grow tax deferred until withdrawn.</li> <li>• Investments can be directed to either a limited mutual fund only option or full brokerage option.</li> </ul>	<ul style="list-style-type: none"> <li>• Employers with 100 or fewer eligible employees.</li> <li>• Suitable for firms that wish to offer employee salary-deferral contributions but are looking for an easier plan to administer than a 401(k) plan.</li> <li>• Available to sole proprietors, partnerships, corporations, "S" corporations, and non-profit organizations.</li> <li>• Employers must not maintain another employer sponsored retirement plan.</li> <li>• Must include employees who:               <ul style="list-style-type: none"> <li>-Have earned at least \$5,000 in compensation in any preceding two years; and</li> <li>-Are reasonably expected to earn at least \$5,000 in compensation in year of participation.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Generally, the plan must be established and accepted by the Custodian on or before Oct. 1st.</li> </ul>	<ul style="list-style-type: none"> <li>• Employer contributions due by employer's tax-filing deadline, including extensions.</li> <li>• Maximum employee deferral contribution of the lesser of \$6,500 (for 2001) as indexed or 100% of compensation.</li> <li>• Employer-matching contribution of up to 3% of compensation for each employee electing to defer a portion of compensation or a mandatory non-elective contribution of 2% of compensation<sup>2</sup> for all eligible employees. (mandatory).</li> <li>• Maximum employer contribution of \$6,500 (for 2001) as indexed.</li> </ul>	<ul style="list-style-type: none"> <li>• Penalty free distribution events:<sup>3</sup> <ul style="list-style-type: none"> <li>-Attainment of age 59fi.</li> <li>-Death or disability.</li> <li>-Series of substantially equal payments.</li> <li>-Health insurance premiums for certain unemployed individuals.</li> <li>-Qualified higher-education expenses.</li> <li>-Qualified first time home purchase (\$10,000 lifetime limit).</li> <li>-Certain medical expenses in excess of 7.5% of Adjusted Gross Income (AGI).</li> <li>-IRS levy under Section 6331 of the Internal Revenue Code.</li> </ul> </li> <li>• Minimum distributions must begin by April 1 following the year an individual turns age 70fi and must occur by December 31 each year thereafter.</li> </ul>

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<b>3. MONEY PURCHASE PENSION PLAN (as part of our Keogh product)</b>				
<ul style="list-style-type: none"> <li>• Employer-funded plan</li> <li>• Employer contributions are generally tax deductible for the employer.</li> <li>• 100% immediate vesting.</li> <li>• Account balances grow tax deferred until withdrawn.</li> <li>• Full brokerage account option.</li> <li>• May be used in conjunction with a Profit Sharing Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Suitable for firms with higher, more stable earnings.</li> <li>• For employers who wish to contribute a higher annual compensation percentage (up to 25%).</li> <li>• Available to sole proprietors, partnerships, corporations, "S" corporations, and non-profit organizations.</li> <li>• Employer may set more lenient eligibility requirements.</li> <li>• Must include employees who: <ul style="list-style-type: none"> <li>-Are a minimum age of 21</li> <li>-Have worked for the employer for at least 2 years.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Plan needs to be adopted by employer's fiscal year end, usually December 31.</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed annual employer contribution rate (minimum of 3%), up to 25% of total compensation<sup>2</sup> not to exceed \$35,000 (for 2001) as indexed thereafter per participant. (20% if self-employed.)</li> <li>• Employer contributions are due by employer's tax-filing deadline, including extensions.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution events: <ul style="list-style-type: none"> <li>-Attainment of age 59fi</li> <li>-Disability</li> <li>-Plan termination</li> <li>-Separation from service</li> <li>-Death</li> </ul> </li> <li>• Minimum distributions required at age 70 fi or retirement, whichever is later<sup>4</sup>.</li> </ul>
<b>4. PROFIT SHARING PLAN (as part of our Keogh product)</b>				
<ul style="list-style-type: none"> <li>• Employer-funded plan</li> <li>• Employer contributions are generally tax deductible to the employer.</li> <li>• 100% immediate vesting.</li> <li>• Account balances grow tax deferred until withdrawn.</li> <li>• May be used in conjunction with a Money Purchase Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate for employers who want contribution flexibility.</li> <li>• Available to sole proprietors, partnerships, corporations, "S" corporations, and non-profit organizations.</li> <li>• Employer may set more lenient eligibility requirements.</li> <li>• Must include employees who: <ul style="list-style-type: none"> <li>-Are a minimum age of 21</li> <li>-Have worked for the employer for at least two years.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Plan needs to be adopted by employer's fiscal year end, usually December 31.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum employer contribution - lesser of 15% of total net compensation<sup>2</sup> or \$25,500 (for 2001) as indexed thereafter per participant (13.043% if self-employed).</li> <li>• Contributions are <u>discretionary</u>.</li> <li>• Employer contributions are due by employer's tax-filing deadline, including extensions.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution events: <ul style="list-style-type: none"> <li>-Attainment of age 59fi</li> <li>-Disability</li> <li>-Plan termination</li> <li>-Separation from service</li> <li>-Death</li> </ul> </li> <li>• Minimum distributions required at age 70fi or retirement, whichever is later<sup>4</sup>.</li> </ul>
<b>4. 401(k)/PROFIT SHARING PLAN</b>				
<ul style="list-style-type: none"> <li>• Bundled product including: recordkeeping, trustee, and investment services.</li> <li>• Standardized and non-standardized plan documents available.</li> <li>• Allows for voluntary employee salary-deferral contributions.</li> <li>• Employer match and discretionary profit sharing contributions.</li> <li>• Vesting schedules available for employer contributions.</li> <li>• Account balances grow tax deferred until withdrawn.</li> <li>• Choice of eight mutual fund investment options as well as a self-directed brokerage option.</li> </ul>	<ul style="list-style-type: none"> <li>• Typically for businesses with 25 or more employees.</li> <li>• Available to sole proprietors, partnerships, corporations, "S" corporations, and non-profit organizations.</li> <li>• Must include employees who: <ul style="list-style-type: none"> <li>-Are a minimum age of 21</li> <li>-Have worked for the employer for at least one year (two years if a Profit Sharing Plan only, which requires immediate 100% vesting.)</li> </ul> </li> <li>• Certain employees may be excluded as provided in the Standardized and Non-Standardized plan documents.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan needs to be adopted by employer's fiscal year end, usually December 31.</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum combined contributions (employee and employer to all defined contribution plans) - lesser of 25% of compensation<sup>2</sup> or \$35,000 (for 2001) as indexed thereafter per participant.</li> <li>• Maximum employee salary deferral [401(k)] contribution of \$10,500 (for 2001)- may be eligible for employee match.</li> <li>• Employer may make annual (discretionary) profit-sharing contribution.</li> <li>• Employer contributions are due by employer's tax-filing deadline, including extensions.</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution events: <ul style="list-style-type: none"> <li>-Attainment of age 59 fi</li> <li>-Disability</li> <li>-Plan termination</li> <li>-Separation from service</li> <li>-Death</li> </ul> </li> <li>• Minimum distributions required at age 70fi or retirement, whichever is later<sup>4</sup>.</li> <li>• Hardship withdrawals are permitted.</li> <li>• Loans are permitted.</li> </ul>

1. Distributions from IRAs prior to age 59fi may be subject to a 10% early withdrawal penalty unless an exception applies. If the qualified plan permits early withdrawals, a penalty of 10% generally applies if withdrawn prior to 59 fi.

2. For plan years beginning on or after January 1, 2000 and 2001, maximum compensation on which contributions can be based is \$170,000, as indexed thereafter.

3. Distributions from a SIMPLE IRA, prior to age 59fi and before the expiration of the 2 year period (which begins on the first day contributions are made to an individual's SIMPLE IRA by the individual's employer) may be subject to a 25% early withdrawal penalty. Distributions from a SIMPLE IRA, prior to age 59fi and after the expiration of the 2 year period may be subject to a 10% early withdrawal penalty.

4. For individuals who own more than 5% of the business, minimum required distributions must begin by April 1 following the year the individual reaches age 70fi and must occur by December 31 each year thereafter. The above information regarding retirement arrangements is meant to serve as a general overview. You should consult a tax advisor for applicability to your specific facts and circumstances.