

Small Business Retirement Plan Quick Reference — 2026

Companion to *Small Business Retirement Plans: A Decision Framework for CPAs and Advisors*

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	SEP IRA	SIMPLE IRA	Solo 401(k)	Standard 401(k)	DB / Cash Balance
Best Fit	Any size business; low admin; flexible employer-only contributions	≤100 EEs; employee deferrals with minimal admin	Owner-only (+ spouse); max combined contribution potential	Businesses with EEs; flexible employer contribution design	High-income owners (45+); stable cash flow; contributions well above DC limits
Who Contributes	Employer only	Employee deferrals + mandatory employer match or NEC	Employee deferrals + employer profit sharing	Employee deferrals + discretionary employer match / profit sharing	Employer only (pair with 401(k) for deferrals)
2026 Employee Deferral	N/A	Std: \$17,000 Applicable: \$18,100 Pre-tax or Roth	\$24,500 (Traditional or Roth)	\$24,500 (Traditional or Roth)	N/A
2026 Catch-Up	None	50–59, 64+: \$4,000 (std) / \$3,850 (appl.) 60–63: \$5,250	50–59, 64+: \$8,000 60–63: \$11,250	50–59, 64+: \$8,000 60–63: \$11,250 Generally required to be Roth if prior-year FICA >\$150K	N/A — actuarially determined.
2026 Employer Contribution	0–25% of comp (uniform %). Max \$72,000/participant. Comp cap \$360K. Discretionary	Required: (1) Match up to 3% (reducible to 1% in 2 of 5 years), or (2) 2% NEC. Enhanced options 26–100 EEs. Addl NEC up to 10% (max \$5,300/EE)	Up to 25% of W-2 or ~20% of net SE income. Discretionary	Match, profit sharing (up to 25% of W-2), or both. Safe Harbor requires min contribution	Actuarially determined. Max benefit \$290K/year (\$415(b)). Comp cap \$360K
2026 Combined Maximum	\$72,000 (ER only)	\$17K–\$18.1K (EE) + ER match/nonelective contribution. Separate component limits	<50: \$72,000 50–59, 64+: \$80,000 60–63: \$83,250	<50: \$72,000 50–59, 64+: \$80,000 60–63: \$83,250 (Catch-ups excl. from \$415(c))	Actuarially determined; w/ 401(k)+PS can reach \$150K–\$350K+
Roth Option	Yes (SECURE 2.0). EE elects ER contributions designated as Roth (taxable to EE when rec'd)	Yes. EE deferrals may be Roth. ER Roth contributions also permitted (taxable to EE when rec'd)	Yes. Deferrals may be Traditional or Roth	Yes. Deferrals may be Traditional or Roth	No
Eligibility	Max restrictive: age 21; service in 3 of 5 years; \$800 min comp	\$5,000 comp in any 2 prior years; expected \$5K current year	Owner-only (+ spouse). Must convert/freeze if EEs hired	Generally age 21; 1,000+ hours in prior year	Generally age 21; 1,000+ hours in prior year
Admin & IRS Filings	Minimal. Form 5305-SEP; No 5500; Each EE opens own IRA	Low. Form 5304-SIMPLE or 5305-SIMPLE; No 5500; Annual EE notice required	Low–Mod; Pre-approved prototype; 5500-EZ if assets >\$250K; No ADP/ACP testing	Mod–High; TPA; ADP/ACP testing (unless Safe Harbor); 5500 filing; ~\$2K–\$10K+/year	High. Enrolled actuary; TPA; 5500 filing; ~\$3K–\$10K+/year
Key Deadlines	Establish & fund: Tax filing deadline w/ ext	Establish: Oct. 1 EE deferrals: Promptly after payroll ER contrib: Filing deadline w/ ext	Establish: 12/31 (S-Corp); Sole prop may retroactively establish by return due date w/o ext; (\$317); ER profit sharing: Filing deadline w/ ext.	Establish: Last day of tax year EE deferrals: ASAP after payroll ER contrib: Filing deadline w/ ext	Establish: Last day of tax year Contributions: Timing subject to minimum funding rules (often quarterly); confirm with actuary/TPA
Vesting	100% immediate	100% immediate	100% immediate	EE deferrals: 100%; ER: may vest per plan; Safe Harbor ER: 100%.	May vest over time per plan terms
Key SECURE 2.0 Changes	Roth ER contribution option	Tiered limits for applicable plans; Enhanced match (4%)/nonelective contrib (3%) for 26–100 EEs. Addl NEC up to 10%/5K. Roth ER option	\$317: Sole prop retroactive setup; Mandatory Roth catch-up (>\$150K FICA) applies to S-Corp owners, not sole prop or SMLLCs	Mandatory Roth catch-up (>\$150K FICA); Applies to S-Corp owners, not sole prop; Starter 401(k) for small ER	No direct changes; Startup cost credits may offset establishment costs
Startup Cost Tax Credit*	Eligible ER (≤50 EEs): 100% of admin startup costs, up to \$5K/year for 3 years + credit for ER contributions	Eligible ER (≤50 EEs): 100% of admin startup costs, up to \$5K/year for 3 years + credit for ER contributions	Eligible ER (≤50 EEs): 100% of admin startup costs, up to \$5K/year for 3 years + credit for ER contributions	Eligible ER (≤50 EEs): 100% of admin startup costs, up to \$5K/year for 3 years + credit for ER contributions	Eligible ER (≤50 EEs): 100% of admin startup costs, up to \$5K/year for 3 years + credit for ER contributions

* SECURE 2.0 §102–103. This summary is for informational purposes only and does not constitute tax, legal, or financial advice. Controlled group, affiliated service group, and attribution rules may require coverage of employees across related entities — consult qualified professionals. Limits per IRS Notice 2025-67. © 2026 Goodman Financial Corporation | www.goodmanfinancial.com | (713) 599-1777