

# Lord Abbett SEP-IRA



## LORD ABBETT SEP-IRA

A Simplified Employee Pension (SEP) plan offers sole proprietors and small-business owners an attractive and affordable way to maximize their retirement savings.

## LORD ABBETT SEP-IRA

- No custodial account fees
- Low cost and easy to maintain
- Attractive investment options
- Employer contributions are tax-deductible
- Funding flexibility—contributions are discretionary
- No government filings
- Retroactive establishment and funding—plan can be established as late as the business's tax-filing deadline plus extension

## HOW DO YOU SET UP A LORD ABBETT SEP-IRA?

Establishing a Lord Abbett SEP-IRA is easy. Simply complete IRS Form 5305-SEP and a SEP-IRA application. Forms are located at [lordabbett.com](http://lordabbett.com) or contact our IRA specialists at 888-522-2333.

Source: IRS.gov

## ELIGIBILITY

A SEP-IRA must include any employee who satisfies the following criteria:

- Age 21 and older
- Employed by the employer in at least three of the last five years
- Annual earnings of at least \$750 in 2025

Employers are permitted to choose less restrictive eligibility requirements.

## CONTRIBUTIONS

The maximum contribution per eligible employee is the lesser of 25% of compensation or \$70,000 for 2025 (\$69,000 for 2024).

## DISTRIBUTIONS

As an IRA, a SEP follows the same distribution rules that apply to a traditional IRA.

## EASY ON YOUR WALLET



- No annual custodial fees\*
- No account setup charges
- No charges for paper statements
- Free overnight shipping\*

## SIMPLE INVESTMENT SELECTION



- More than 30 equity, fixed-income, and asset-allocation capabilities to help address a range of investment goals
- Single fund allocation strategies
- Plan-level breakpoints

## FAST ACCOUNT SETUP



- Same day setup using Automatic Clearinghouse (ACH)
- Federal tax refunds direct deposited to IRAs

## OUTSTANDING CLIENT SERVICE



- Website features mobile account access
- Extensive tools and resources to manage your IRA

\*Lord Abbett will waive (or otherwise pay) the yearly \$10.00 custodial fee that would be charged each year on an ongoing basis to every new IRA account and therefore, will not assess a custodial account fee. Fund level fees and expenses are still applicable.

## HOW MUCH CAN YOU CONTRIBUTE?

### EXAMPLE 1: SOLE PROPRIETOR

Owner's Salary	\$50,000	\$100,000	\$250,000
Maximum SEP Contribution*	\$9,294	\$18,587	\$47,683
Taxable Income	\$40,706	\$81,413	\$202,317
Marginal Tax Bracket	22%	24%	35%
Tax Savings	\$2,045	\$4,461	\$16,689

\*You may make an annual contribution of up to 25% of the employee's compensation or \$69,000, whichever is less. Individuals with self-employed income must base their contributions on "earned income." For self-employed individuals, earned income refers to net business profits derived from the business, reduced by a deduction of one-half of your self-employment tax, less your SEP IRA contribution. Compensation, for this purpose, does not include employer contributions to the SEP or the employee's compensation in excess of \$350,000. Refer to IRS Form 5305-SEP for details. For assistance in calculating your SEP contribution, visit [lordabbett.com](http://lordabbett.com).

*These examples are for illustrative purposes only, do not represent actual results, were not achieved by any individual, and actual results may vary substantially.*

### EXAMPLE 2: SMALL BUSINESS WITH EMPLOYEES

	SALARY	CONTRIBUTION (10% OF INCOME)
Employer	\$95,000	\$9,500
Employee 1	\$50,000	\$5,000
Employee 2	\$45,000	\$4,500
Employee 3	\$35,000	\$3,500
<b>Total Contributed</b>		<b>\$22,500</b>
Less Tax Savings (24% bracket)		\$5,400
<b>Net Cost</b>		<b>\$17,100</b>
Less Employer's Contribution		\$9,500
<b>Annual Net Contribution</b>		<b>\$7,600</b>



LORD ABBETT®

"We aspire to be the most respected asset manager in the world, admired for our people, our performance, our relationships, and our organizational agility."

A Simplified Employee Pension plan (SEP-IRA) is a retirement plan specifically designed for the self-employed and small-business owners. When establishing a SEP IRA plan for your business, you and any eligible employees establish your own separate SEP IRAs; employer contributions are then made into each eligible employee's SEP IRA.

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#### FOR MORE INFORMATION:

Lord Abbett Client Service: 888-522-2388 | Visit us at [lordabbett.com](http://lordabbett.com)  
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