

# 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 2024

Employers are permitted to choose less restrictive eligibility requirements.

## CONTRIBUTIONS

The maximum contribution per eligible employee is the lesser of 25% of compensation or \$69,000 for 2024 (\$66,000 for 2023).

## 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 \$345,000. Refer to IRS Form 5305-SEP for details. For assistance in calculating your SEP contribution, visit 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
Total Contributed		\$22,500
Less Tax Savings (24% bracket)		\$5,400
Net Cost		\$17,100
Less Employer's Contribution		\$9,500
Annual Net Contribution		\$7,600



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:  
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