



## 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.

### ADVANTAGES OF A LORD ABBETT SEP-IRA:

- No custodial account fees
- Low cost and easy to maintain
- Attractive investment options
- Employer contributions are tax-deductible
- High contribution level (\$61,000 in 2022)
- 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.

### EASY ON YOUR WALLET



- No annual custodial fees<sup>†</sup>
- 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

## ELIGIBILITY

SEP IRAs 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 \$650 in 2022

Employers are permitted to choose less restrictive eligibility requirements.

## CONTRIBUTIONS

Employer: A discretionary contribution equal to the lesser of 25% of compensation or \$61,000 in 2022

Employee: Not permitted

## DISTRIBUTIONS

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

### FAST ACCOUNT SETUP



- User-friendly electronic applications
- Same day setup using Automated Clearinghouse (ACH) Funding

### OUTSTANDING CLIENT SERVICE



- Our IRA specialists guide plan sponsors through the setup process
- Award-winning service team

<sup>†</sup>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 in 2022 or any year afterward. Additionally, the Federal Express (FedEx) charges are currently absorbed by the broker/dealer to submit paperwork to DST to open a Lord Abbett IRA account. Fund-level fees and expenses are still applicable. Please see a fund's current prospectus.

## 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 \$61,000, 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 \$305,000. Refer to IRS Form 5305-SEP for details. For assistance in calculating your SEP contribution, visit [lordabbett.com](http://lordabbett.com).

### 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®

Securing a sustainable future for our clients, our people, and our world.

The information provided is not directed at any investor or category of investors and is provided solely as general information about Lord Abbett's products and services and to otherwise provide general investment education. None of the information provided should be regarded as a suggestion to engage in or refrain from any investment-related course of action as neither Lord Abbett nor its affiliates are undertaking to provide impartial investment advice, act as an impartial adviser, or give advice in a fiduciary capacity. If you are an individual retirement investor, contact your financial advisor or other fiduciary about whether any given investment idea, strategy, product or service may be appropriate for your circumstances.

The information is being provided for general educational purposes only and is not intended to provide legal or tax advice. You should consult your own legal or tax advisor for guidance on regulatory compliance matters. Any examples provided are for informational purposes only and are not intended to be reflective of actual results and are not indicative of any particular client situation."

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.

To comply with Treasury Department regulations, we inform you that, unless otherwise expressly indicated, any tax information contained herein is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed under the Internal Revenue Code or any other applicable tax law, or (ii) promoting, marketing, or recommending to another party any transaction, arrangement, or other matter.

Copyright © 2022 by Lord Abbett Distributor LLC. All rights reserved.

FOR MORE INFORMATION:

Lord Abbett Client Service: 888-522-2388 | Visit us at [lordabbett.com](http://lordabbett.com)  
90 Hudson Street, Jersey City, NJ 07302-3973

NOT FDIC INSURED—NO BANK GUARANTEE—MAY LOSE VALUE

LA-SEPFly  
(01/22)