



SEP CHECKLIST

This checklist isn't a complete description of all plan requirements, and shouldn't be used as a substitute for a complete plan review.

For Business Owner's Use
(DO NOT SEND THIS WORKSHEET TO THE IRS)

Every year it's important that you review the requirements for operating your Simplified Employee Pension (SEP) plan. Use this checklist to help you keep your plan in compliance with many of the important rules. Click on "(More)" in any of the questions for additional information (including examples) on how to find, fix and avoid each mistake. See www.irs.gov/retirement and click on "Types of Retirement Plans" for Fix-It Guides, and other resources for SEPs and other plan types.

1. Has your SEP been amended for current law? Yes No

Laws related to retirement plans change quite frequently. You will need to change plan language and operation to keep the plan within the law.

[\(More\)](#)

2. Is the business that the SEP covers the only business you own? Yes No

Employees of other businesses you or your family members own may have to be treated as employees when determining who is an eligible employee under this SEP.

[\(More\)](#)

3. Are all eligible employees participating in the SEP? Yes No

Any employee who is at least 21 years of age, was employed by you for 3 of the immediately preceding 5 years, and received compensation from you of at least [\\$600](#) during the year is eligible to participate in a SEP.

[\(More\)](#)

4. Are you determining each eligible employee's compensation using the definition in your SEP document? Yes No

Compensation used to determine contributions generally includes all bonuses and commissions and is limited to [\\$270,000](#) for 2017.

[\(More\)](#)

5. Are contributions to each participant's SEP-IRA a uniform percentage of the participant's compensation? Yes No

Employer contributions to a SEP must be the same percentage of compensation for each employee maintaining a SEP-IRA in the plan.

[\(More\)](#)

6. Are SEP contributions to each participant's IRA limited as required by the Internal Revenue Code? Yes No

All SEP contributions must go to traditional IRAs set up for the eligible employees and are limited to the lesser of 25% of compensation or [\\$54,000](#) for 2017.

[\(More\)](#)

If you answered "No" to any of the above questions, you may have a mistake in the operation of your SEP plan. This list is only a guide to a more compliant plan, so answering "Yes" to each question may not mean your plan is 100% compliant. Many mistakes can be corrected easily, without penalty and without notifying the IRS.

- **contact your tax advisor**
- **visit the IRS at www.irs.gov/retirement**
- **call the IRS at (877) 829-5500**