



**THE IRA CLUB**  
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## SEP IRA

A SEP IRA (Simplified Employee Pension) plan provides business owners with a simplified method to contribute large amounts toward retirement.

### **SEP IRAs are:**

Simple, Low Cost & Flexible

### **Allowable Contributions**

Contributions may be large, up to \$53,000 per year  
plus up to an additional \$53,000 for your spouse = \$106,000,

### **Deductable**

SEP Contributions can be 100% income tax deductible.

### **Low Cost**

A SEP IRA can be started for as little as \$175.  
The IRA Club will complete all the paperwork.

### **Easy**

SEPs require *no* annual tax filing. There are no 1099's or K-1s to worry about.

### **Self Directed**

A SEP IRA may be Self Directed

### **Consolidate**

Would you like to consolidate your old Traditional IRA and old 401(k) into one account?  
The SEP will accept transfers from Traditional IRAs & 401(k)s

### **Who is Eligible for a SEP IRA?**

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**To be Eligible to make contributions to a SEP IRA you must own a**

Do you already own a business? - Fine you are ready to start your SEP IRA today.



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(If you do not yet own a business see Steps 1,2,3 & 4 at the bottom of this page.)

**How Much Can You Transfer (or Rollover) to your new SEP IRA from your Old 401(k)?** An Unlimited amount.

**How Much Can You Transfer to your new SEP IRA from your Traditional IRA accounts?**

An Unlimited amount.

**How Much Can You add to your SEP IRA as an Annual Contribution?**

Approximately 20% of net self employment income (not to exceed \$53,000 for 2015). Anytime you like The IRA Club can provide your exact Contribution amount based on your business income. (It will ballpark around 20%)

**This year my business earned \$700,000. My spouse and I are the only employees. How much can we contribution our SEP IRAs?**

You can max out the contributions. It will be about \$53,000 for you and \$53,000 for your spouse. Total about \$106,000 and *it is all deductible* from this year's earnings.

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**If you do not already have a business entity:**

**How to start a business:**

1. Select a name for the business.

Suggestion: To be sure the activities of the business and your personal activities are clearly separated give the business a name that does not include your name or your initials. (Example: Green Street Investments would be a better choice than John Smith Company.)

2. To be eligible to have a SEP IRA the business can be any common form.

It can be a Corporation, an LLC, a Partnership, a DBA (doing business as) a Sole Proprietorship. Select the business form you want. Most business forms can be set up on line at the web site of your local Security of State.

3. Obtain an EIN for the new business. EINs are free: Go to:

<https://sa.www4.irs.gov/modiein/individual/index.jsp>

and answer a few questions.

4. Go to the bank of your choice and open a "small business checking account" in the name of the business. (Not in your name and the name of the business. Remember that you want to keep you and your business separate).

The bank will ask for:

- The form of the business (i.e. LLC, Sole Proprietorship, etc.)
- The EIN (see above)