



## LORD ABBETT SEP IRA PLAN

A Simplified Employee Pension ("SEP") plan can be an attractive retirement plan alternative for a small-business owner who is interested in maximizing retirement savings with minimal administrative hassles.

### ADVANTAGES OF A SEP IRA

- High contribution level (contribution maximum of \$52,000 for 2014)
- Can be established and funded retroactively (until tax-filing deadline plus extension)
- Funding flexibility (discretionary contributions)
- No government filings
- Can be converted to Roth IRA
- Portability—employer-sponsored plans (e.g., 401(k)s) can be rolled into SEP IRAs

### 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	\$47,921
Taxable Income	\$40,706	\$81,413	\$202,079
Marginal Tax Bracket	25%	28%	33%
Tax Savings	\$2,323	\$6,133	\$15,813

\*You may make an annual contribution of up to 25% of the employee's compensation or \$52,000, 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 \$260,000. Refer to IRS Form 5305-SEP for more details. For assistance in calculating your SEP contribution, visit [lordabbett.com/calculators](http://lordabbett.com/calculators).

#### 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 (28% bracket)		\$6,300
<b>Net Cost</b>		<b>\$16,200</b>
Less Employer's Contribution		\$9,500
<b>Annual Net Contribution</b>		<b>\$6,700</b>



## HOW DO YOU SET UP A SEP IRA?

To establish a Lord Abbett SEP IRA, simply complete IRS Form 5305-SEP and an IRA application or call us at 888-822-2388.

## ELIGIBILITY

A SEP IRA can be designed to limit employee participation by imposing age and service requirements. All employees who satisfy the following requirements must be covered:

- At least 21 years old
- Has worked for the employer three out of five of the years before the year for which the contribution is being made
- Employees who earned at least \$550 (2014)

Employees who meet the aforementioned requirements are required to receive a SEP IRA contribution. You are always permitted to impose less restrictive eligibility requirements.

## DISTRIBUTIONS

As an IRA, SEP retains the distribution rules applicable to IRAs, including taking a mandatory withdrawal upon reaching age 70½.

## FOUR REASONS WHY OUR IRA IS **EASY**

### EASY ON YOUR WALLET



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

### FAST ACCOUNT SETUP



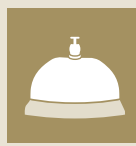
- User-friendly electronic applications
- Free overnight shipping for paperwork\*

### 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 sales share breakpoints

### OUTSTANDING CLIENT SERVICE



- Our Service Center guides the plan sponsor through the setup process.
- Award-winning service team.†

\* 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 2014 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.

† In 2013, Lord Abbett was recognized as a leader in customer service by DALBAR.

A Simplified Employee Pension plan, commonly known as a SEP IRA, is a retirement plan specifically designed for self-employed people 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.

*This information is being provided as general information and is not intended to be legal or tax advice. Lord Abbett does not provide legal or tax advice. Lord Abbett believes the information in this flyer to be an accurate statement of current rules; however, prospective investors should consult their investment professional and/or tax advisor.*

**A Note about Risk:** The value of investments in equity securities will fluctuate in response to general economic conditions and to changes in the prospects of particular companies and/or sectors in the economy. The value of an investment in fixed-income securities will change as interest rates fluctuate and in response to market movements. As interest rates fall, the prices of debt securities tend to rise. As rates rise, prices tend to fall.

**Before investing in any Lord Abbett mutual fund, investors should carefully consider a fund's investment objectives, risks, charges, and expenses. Fund prospectuses and summary prospectuses contain this and other information about the funds, and may be obtained by asking your investment professional or calling us at 888-522-2388, or by visiting our website at lordabbett.com. Read the prospectus carefully before investing.**

### FOR MORE INFORMATION:

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

Lord Abbett mutual fund shares are distributed by LORD ABBETT DISTRIBUTOR LLC  
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