



**Nationwide**<sup>®</sup>  
is on your side

California Farm Bureau  
Federation

Overview



# A retirement plan that's *rooted in you*

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Nationwide helps those in agribusiness  
prepare for and live in retirement.

FOR PLAN SPONSOR USE



# Why add a retirement plan?

*Sponsoring a retirement plan could:*



**Help you and your employees attain a more financially sound future**

**Let you and your employees invest more than through an IRA**



**Help attract prospective employees**



**Give your business tax advantages**

- Employer contributions are tax deductible
- Plan expenses are tax deductible
- A tax credit is potentially available for establishing a qualified retirement plan



**Help retain quality employees**

# What should you consider when looking at different plan types?

## California Farm Bureau Federation

### Retirement Plan Options for Members

Features	CalSavers Roth IRA	Simple IRA	SEP-IRA	401(k) Plan	Defined Benefit & Cash Balance
<b>Target Audience</b>	Workers in the State of California	Businesses with less than 100 employees	All businesses	All businesses	Business owners who are willing to make long term employer contributions
<b>Eligibility Requirements</b>	Age 18 and older with earned income	Employees earning more than \$5,000 in the last two years of employment	Age 21 with earnings of \$600+ and any service in three out of 5 years (however, an employer can be less restrictive than age 21 and 3 of 5 years of service)	Employees 21 or older with at least 1 year of service and 1000+ hours must be eligible to make contributions	Employees 21 or older with at least 1 year of service and 1000+ hours
<b>Maximum Annual Individual Contributions</b>	\$6,000 + \$1,000 catchup if age 50+	100% of compensation up to \$13,500 deferral + \$3,000 catchup if age 50+	Not available	100% of compensation up to \$19,500 deferral + \$6,500 catchup if age 50+	Not available
<b>Employer Contributions</b>	No	3% match or 2% non elective. Can be reduced 2 out of 5 years	Discretionary employer contribution up to 25% of eligible compensation. Max \$57,000. All eligible participants receive the same percentage	Matching or discretionary contributions. All contributions plus any forfeitures allocated to the participant's account cannot exceed the lesser of 100% of compensation or \$57,000	Annually determined contribution based on plan design
<b>Vesting</b>	N/A	100% immediate vesting	100% immediate vesting	Vesting options available	Vesting options available
<b>Testing and Governmental Filing</b>	N/A	No testing or government filings required	Required top heavy testing	Testing and government filings required. Plans with more than 100 eligible participants are subject to annual audit requirements	Testing and government filings required
<b>Automatic Enrollment/ Default Contribution</b>	Automatically enrolled at 5% unless elected otherwise. IRA owners can adjust their contribution rate at anytime	Not available	Not available	Available depending on plan design	Not applicable
<b>Automatic Escalation/ Default Escalation</b>	1% increase until savings rate reaches 8% but can be stopped at anytime	Not available	Not available	Available depending on plan design	Not applicable
<b>Loans/ Hardships</b>	Not available	Not available	Not available	Available depending on plan design	Loans available depending on plan design. Hardships not available

Note: Reflects 2020 IRS plan limits



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For more information call Paul Yossem, Regional Vice President,  
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