

Solo 401(k) Plan



FACT SHEET

The Solo 401(k) Plan gives small business owners the chance to save for retirement in a way previously available only to corporate America.

Solo 401(k) Plan Overview			
Tax Advantages	<ul style="list-style-type: none"> Overall contributions can exceed 25% of compensation Participant traditional 401(k) deferrals are pretax Employer contributions are tax deductible Participant Roth 401(k) contributions are after-tax Tax deferral maximizes the compounding value and increases the owner's ultimate retirement income 		
Solo 401(k) Plan Features	<ul style="list-style-type: none"> Participants can elect to defer from 0% up to 100% of their income, up to the listed maximums: <table border="1"> <tr> <td>Tax Year: 2022</td> <td>\$20,500</td> </tr> </table>	Tax Year: 2022	\$20,500
	Tax Year: 2022	\$20,500	
	<ul style="list-style-type: none"> Catch-up contributions for age 50 and older. <table border="1"> <tr> <td>Tax Year: 2022</td> <td>\$6,500</td> </tr> </table>	Tax Year: 2022	\$6,500
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<ul style="list-style-type: none"> Salary deductions make participant deferrals/contributions convenient and easy Participant traditional 401(k) pretax deferrals reduce their Federal, State* and Local* income taxes but are subject to Social Security (FICA) tax Participant Roth 401(k) after-tax contributions are subject to State, Federal and Social Security (FICA) tax 			
Basic Plan Features	<ul style="list-style-type: none"> Sponsorship is limited to businesses that employ no common law employees. Only owners and their spouses may participate Employer discretionary "profit sharing" contributions are available each year up to 25% of compensation Participants can defer up to the lesser of 100% of compensation or the listed maximum for the year Taxable distributions due to disability, death or after age 55 and severance from employment avoid the IRS 10% early withdrawal penalty Participants can defer any or all distributions until they are subject to IRS minimum distribution rules at age 72. Younger owners benefit the most because they have more contribution opportunities and a longer period of tax-deferred earnings Plan loans are available 		
Contributions	<ul style="list-style-type: none"> Participant traditional pretax deferrals/contributions are available Participant Roth after-tax contributions are available Employer Contributions must be made before the due date (including extensions) of the Employer's tax return The maximum annual addition to a participant's account is 100% of their compensation, subject to a \$61,000 annual limit (2022), plus the applicable catch-up amount 		

*Check with your tax advisor for your state and local income tax treatment.

Solo 401(k) Plan Overview

Examples	Solo 401(k): Age 55 earning \$162,000 How much can be contributed?	
	Employer Contribution	\$40,500
	Salary deferral	\$20,500
	Catch-up	\$6,500
	Total (42% of pay)	\$67,500
	Solo 401(k): Age 55 earning \$40,000 How much can be contributed?	
	Employer Contribution	\$10,000
	Salary deferral	\$20,500
	Catch-up	\$6,500
	Total (93% of pay)	\$37,000
Plan Suitability	Solo 401(k) Plans are favored when the Employer: <ul style="list-style-type: none"> • Wants to contribute more than 25% of compensation to the plan • Wants flexibility in making contributions 	
Advantages of a Solo 401(k) Plan over a SEP or Profit Sharing Plan	<ul style="list-style-type: none"> • Contributions can exceed 25% of compensation • Participants can contribute up to the lesser of 100% of compensation or the listed maximum deferral limit for the year, plus a 25% Employer Profit Sharing contribution • Participant Roth 401(k) contributions are available 	
Costs	Set up	\$100
	Take over	\$100
	Loan initiation fee	\$100 (one time)
	Loan maintenance fee	\$50 (annually) \$12.50 (quarterly)
	5500 EZ Preparation* (optional)	\$150 (annually)
	Per participant fee	\$35 (annually)
	Manual Distribution fee	\$25**
	*Required only if assets exceed \$250,000. **Assessed for all withdrawal requests not submitted through the participant's online account.	
Participant Account Access	<ul style="list-style-type: none"> • Internet 24/7 • Interactive Voice Response Line 24/7 	

Your path *To and Through Retirement*[®] begins here.

Talk to your financial professional to see whether a Solo 401(k) Plan can complement your retirement portfolio or contact us at 800.747.5164.

Neither Security Benefit Corporation nor its affiliates are fiduciaries. This information is general in nature and intended for use with the general public. For additional information, including any specific advice or recommendations, please visit with your financial professional.

The 401(k) is a Trust Account under §401(k) of the Internal Revenue Code. Security Distributors.

Withdrawals and other distributions of taxable amounts will be subject to ordinary income tax, and if taken prior to age 59½, a 10% federal tax penalty may apply. A withdrawal charge may also apply.

Services offered through **Security Distributors**, a subsidiary of Security Benefit Corporation (Security Benefit).



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