



## Business Solutions: Solo 401(k)

The Individual/Solo 401(k) is a unique 401(k) and profit sharing plan designed for owner-only businesses without employees. It's ideal for sole proprietors, partnerships and S-corporations employing only owners and spouses. Some providers also allow immediate family members to be included. The plan is cost effective and allows both employee salary deferral and employer profit-sharing contributions.

### Key Features of a Solo 401(k)

- Reduced tax liability
- Spouses, children and parents may participate
- Generous contribution limits
- No discrimination testing
- Loan availability

### Considerations of a Solo 401(k)

Max Contributions:	<b>Salary Deferral</b> limit is 100% of salary, not to exceed \$18,000 for 2015 (\$6,000 catch-up).
	<b>Employer(ER) Contribution</b> is up to 25% of compensation.
Vesting:	Typically 100% immediate vesting
Deadline to establish:	December 31 of the plan year
Loans:	Loans available

### Calculations of a Solo 401(k)

Retirement plans are a great way to take advantage of many tax benefits. Partners in a corporation could save significant amounts in a Solo 401(k) plan. The example below considers both salary deferral and employer profit sharing contributions.

Hill Consulting Corporation				
	Compensation	Deferral	ER Contribution	Total Contributions
<b>Jill</b>	\$ 150,000	\$ 18,000	\$ 35,000	<b>\$ 53,000</b>
<b>Jack</b>	\$ 100,000	\$ 18,000	\$ 25,000	<b>\$ 43,000</b>

Each business is unique and has unique planning considerations. Contact your HD Vest Advisor to help you determine your retirement plan needs and to help you establish the most appropriate plan for your circumstances.