

# SOLO(K) PLANS

A Powerful Retirement *Solution* for One Person Firms

**A Solo(k) Plan administered by The Retirement Advantage, Inc. (TRA) is ideal for:**

- Owner-only businesses, including independent contractors, with no common law employees
- Partnerships whose only employees are self-employed partners and certain family members

## Plan Highlights

- **Tax deductible** up to \$54,000 per year, \$60,000 if age 50+
- You and your financial advisor decide how your money is invested
- Investments grow **tax deferred**
- Loans from plan (within regulations) are permitted
- Deferral contributions, either pre-tax or Roth, are allowed
- **2017 deferral limits** are \$18,000 or \$24,000 if age 50+
- At plan termination, investments may be rolled into an IRA account to retain tax favorable status

## How Does TRA Solo(k) Work?

Just like the big company 401(k) plans, a Solo(k) Plan allows you to decide how much to contribute as the employee AND the employer:

- Employee contributions typically **deposited monthly**
- Employer contributions typically deposited in a lump sum upon setting up the plan or just before tax filing

TRA provides all the documents to implement the plan, annual administration and annual tax reporting. A **dedicated TRA Retirement Plan Consultant** experienced in Solo(k) Plans is assigned to your account. You and your financial advisor will then open investment accounts for your new Solo(k) Plan.

## Tax Deductible Administration Fees:

<b>One Time Set-Up Fee</b>	<b>Owner Only</b>	<b>With Spouse/Partner</b>
New Plans	\$175	\$275
Conversion Plans	\$350	\$450
<b>Annual Fee</b>	<b>Owner Only</b>	<b>With Spouse/Partner</b>
	\$450	\$550

*Before establishing a plan, consult with your tax advisor. Restrictions may apply and the size of your tax deduction is influenced by several factors.*

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ANNUAL CONTRIBUTION AMOUNTS BY PLAN				
*Salary	SIMPLE-IRA	SEP IRA	Profit Sharing	Solo(k)
\$40,000	\$13,700	\$10,000	\$10,000	\$28,000
\$80,000	\$14,900	\$20,000	\$20,000	\$38,000
\$120,000	\$16,100	\$30,000	\$30,000	\$48,000
\$160,000	\$17,300	\$40,000	\$40,000	\$54,000
\$255,000	\$20,450	\$53,000	\$53,000	\$54,000

**Solo(k) also offers features not available in other types of plans:**

PLAN FEATURES				
	SIMPLE-IRA	SEP IRA	Profit Sharing	Solo(k)
Loan Provisions			✓	✓
Pretax Salary Deferrals	✓			✓
Roth Salary Deferrals				✓
Catch-up Contributions	✓			✓
Maximize Profit-Sharing Contribution		✓	✓	✓
Maximize Annual Additions		✓	✓	✓

\*Salary assumes w-2 income