

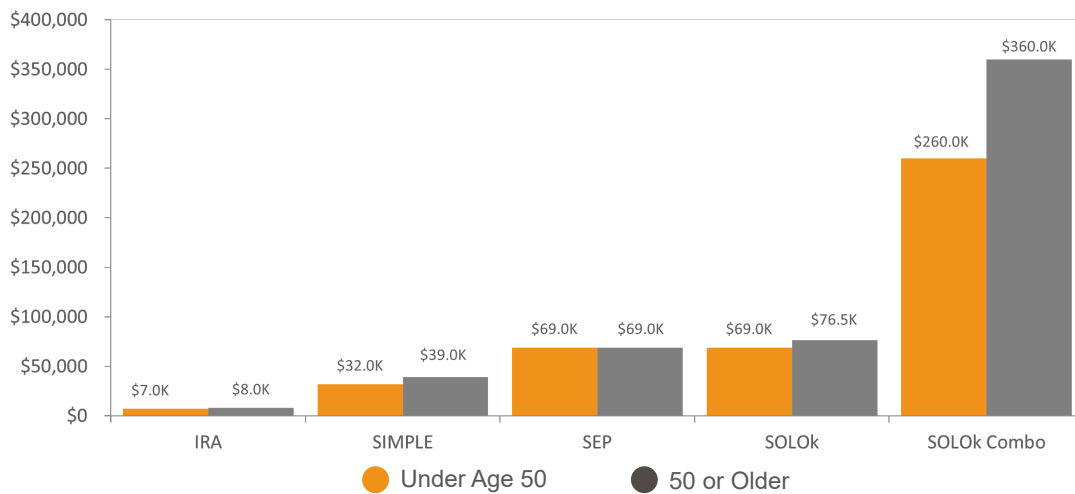


Learn More About  
**Solo401k**

# Why Choose a Solo 401k?

With a Solo 401k, sole proprietors and other owner only businesses can take advantage of the features of a 401(k) plan. A Solo 401k offers a great opportunity to save for retirement while maintaining flexibility from year to year. See how it stacks up:

**Estimated Maximum Contributions for 2024**



*NOTE: To fund the maximum of \$69,000 to a SEP, the participant must have compensation of \$276,000 compared to \$184,000 for a Solo 401k (Sole Proprietorships and Partnerships require \$243,717). Companies wishing to fund more than allowable in a Solo 401k (i.e., \$69,000 / \$76,500), may wish to evaluate a Solok Combo Plan (401k + Cash Balance) or a Defined Benefit Plan. These plans may allow for much larger contributions (up to \$360,000 depending on age). JULY can prepare a customized illustration to see if one of these plan designs is right for you.*

## Benefits of a Solo 401k\*

Solo 401k plans offer a number of benefits to owner-only businesses compared to other types of plans.



### Discretionary Funding

Pre-Tax and/or Roth contributions are discretionary and can be increased, reduced, or eliminated as needed each year.



### Higher Contributions

Fund up to \$76,500 (\$69,000 if less than age 50) which is higher than other plan designs such as SEPs and SIMPLEs.



### Consolidate Plans

Consolidate balances from other plans, including other SEPs, Rollover IRAs, and other employer retirement plans.



### Tax-Free Loans

Borrow 50% of your balance (up to \$50,000) tax free if repaid according to IRS regulations.



### Pre-Tax or Roth

Contributions can be funded on a pre-tax basis or as Roth contributions for tax-free withdrawals at retirement.



### Flexible Investments

Work with your advisor to establish an Individual Brokerage Account, allowing you to customize your portfolio to suit your needs.

\* See "Important Disclosures" on next page.

# What is the Maximum Contribution?

Business owners can contribute up to \$69,000 annually, or \$76,500 if age 50 or older, not to exceed 100% of the owner's compensation. There are three types of contributions that make up the total contribution limit:

Contribution Source	Annual Limit	Details
Salary Deferral	\$23,000	Contribute up to \$23,000 as a pre-tax or Roth contribution.
Catch-up Deferrals	\$7,500	Participants age 50 or older during the plan year can contribute an additional \$7,500.
Profit Sharing	25% of Compensation	The employer can make an additional contribution up to 25% of Earned Income.
<b>Total</b>	<b>\$76,500</b>	<b>All three contribution sources cannot exceed \$76,500 (\$69,000 if less than age 50).</b>

You should always consult your tax advisor to ensure your maximum contribution amount is calculated correctly. Overcontributions result in excise taxes.

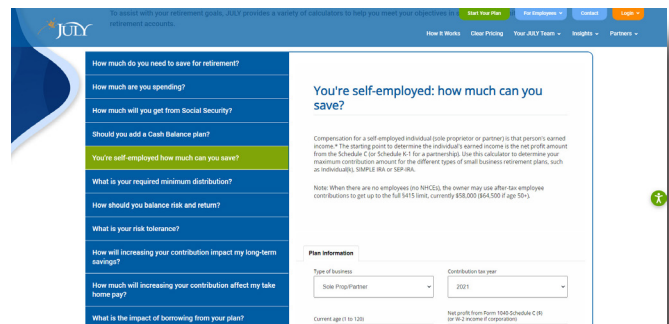
## Solo 401k Resources

JULY has a strong client services team focusing exclusively on Solo 401k solutions and support of the unique needs of our clients. In addition, we offer a variety of online educational support on this topic.



### Online Resources

Find a wealth of information on Owner Only Business Plans at <https://www.julyservices.com/owner-only-plans/>.



### Estimate Calculators\*

Learn how much self-employed individuals can contribute to various retirement plan types at <https://www.julyservices.com/for-employees/calculators/your-self-employed-how-much-can-you-save/>.

\* July Business Services, its affiliates, and third-party vendors provide retirement projections and financial calculators as interactive tools that estimate hypothetical investment outcomes—investment results and outcomes are NOT guaranteed and will vary. Calculations do not include mandatory contributions on behalf of any employees.

**Important Disclosures:** Amounts received from qualified plans are generally taxed at ordinary income tax rates, other than qualified distributions of Roth 401(k) amounts. Amounts received before age 59 1/2 may be subject to a 10% federal income tax penalty and additional state penalties. July Business Services does not provide tax or legal advice. The information contained in this brochure is intended solely to provide general summary information and is not intended to serve as tax or legal advice. For tax or legal advice concerning your situation, please consult your professional tax advisor or legal counsel. All investments involve risk, including loss of principal with no guarantee of profits. Investors should carefully consider their objectives, risk tolerance, and time horizon before investing.

# Getting Started

Setting up a Solo401k plan with JULY is quick and easy. Below are the steps to setting up a plan.

## 1. Request a Proposal

Contact your Financial Advisor to request a Solo401k proposal.

## 2. Complete Setup Form

We will provide you with an online Setup Form to create your plan document. This should be completed by someone with knowledge of the company's legal and ownership structure.

## 3. Sign Agreements

JULY will prepare the service agreements for you to sign electronically. This will authorize us to begin the setup of your plan.

## 4. Sign Plan Document

JULY will prepare a plan document for your electronic signature. Please allow 7 to 14 days for preparation of the plan document.

On an ongoing basis, JULY maintains and updates the plan document. In addition, JULY monitors the 5500 requirement and prepares that form when needed.

# Funding the Plan

Once the plan document is signed, you can begin funding the plan. It is important not to make contributions before the plan document is completed and signed as these amounts will not constitute tax-qualified contributions.



### Establish Custodial Account

JULY will help you open a custodial account for your plan.



### Provide Year-end Information

Provide annual compensation and other compliance-related details to calculate contributions.



### JULY Calculates Contributions

JULY will calculate the maximum amount to ensure you do not exceed IRS limits.



### Fund the Plan

Review the contribution reports, work with JULY to fund contributions to the plan.

# Plan Costs

Set-Up Fee	Base Fee	Per Pct Fee	Form 5500 Fee
\$100	\$150	\$360	\$300

Additional transaction and ancillary fees may apply.

# Learn More