

— INDIVIDUAL(K) PLANS FOR OWNER-ONLY BUSINESSES

# An Individual(k)<sup>™</sup> retirement solution designed specifically for owner-only businesses

## An Individual(k) is ideal for<sup>1</sup>:

- **Owner-only businesses** whose only employees are the owner or the owner and spouse.
- **Partnerships** whose only employees are partners or partners and spouse.
- **C and S corporations** where the corporation has only one shareholder and the only employees are the shareholder or shareholder and spouse.

## How does an Individual(k) work?

- Just like traditional 401(k) plans, an Individual(k), also known in the industry as a Solo(k), allows you to decide how much to contribute as the employee *and* the employer:
  - » **Employee** contributions are typically deposited monthly
  - » **Employer** contributions are typically deposited just before tax filing
- Ascensus provides all documents to implement the plan, annual administration, and annual tax reporting.

## Individual(k) Highlights



**Tax deductible** up to \$70,000 per year, \$77,500 if age 50+ (for 2025).



Works with a financial advisor or includes an investment manager, **you choose**.



Investments can grow **tax deferred**.



**One loan** from your plan is permitted.



**Deferral contributions**, either pre-tax or Roth, are allowed.



**Deferral limits** are \$23,500 or \$31,000 if age 50+ (for 2025).



**Investments may be rolled over** into an IRA account to retain tax favorable status.

<sup>1</sup>In general, Individual(k) is for businesses without full-time employees. The plan may still be viable if employees are union workers, non-resident aliens, or under age 21. Long-term, part-time employees must be allowed to make salary deferrals to the plan if they satisfied the plan's minimum age requirement and 500 hours of service in three consecutive 12-month periods (*for plan years that begin on or after January 1, 2021*) or two consecutive 12-month periods (*for plan years that begin on or after January 1, 2025*). Since the Individual(k) plan is designed exclusively for owner-only businesses, if "less than full-time" non-owner employees meet this requirement the business would no longer be eligible for the Ascensus Individual(k) product.

## Participants can save more...faster

In 2025, Individual(k) allows for deferrals of up to \$23,500 of pretax income plus additional profit-sharing contributions based on a percentage of self-employed earnings or W-2 compensation if taxed as a corporation. This can translate to significantly larger retirement savings over the years compared to a SIMPLE or SEP IRA. SIMPLE IRAs allow for deferrals up to \$16,500.

### Comparison of Retirement Saving Potential<sup>2</sup>

Your W-2 Compensation	Individual(k)	SIMPLE <sup>3</sup> IRA	SEP IRA
\$50,000	\$35,500	\$17,500	\$12,500
\$150,000	\$60,500	\$20,500	\$37,500
\$200,000	\$69,000	\$22,000	\$50,000

If the owner reaches age 50 or over by the end of the year, they may be eligible to make additional elective deferrals, called catch-up contributions, of \$7,500 (or \$11,250 aged 60-63) to an Individual(k) plan and \$3,500 (or \$5,250 aged 60-63) to a SIMPLE IRA plan.

<sup>2</sup> For illustrative purposes only; assumes W-2 compensation.

<sup>3</sup> Assumes a 3% employer matching contribution on elective deferrals.

## Plan features designed to meet the specific needs of an owner-only business.


Key Features	Non-Daily Value (Balance Forward)
Recordkeeping and administration	●
Investment options	Account is opened through a broker-dealer
Contribution, loan, and distribution processing	●
Rollover contributions	●
ERISA/plan document services	●
IRS Form 5500 EZ	●
Onboarding support	●
Participant statements	Annual
Automated account access	Broker-dealer
Trust services	Assets are held at a broker-dealer outside of Ascensus

## Ascensus Individual(k) pricing

	Non-Daily Value (Balance Forward)
<b>Optimized for</b>	Document and recordkeeping services completed by Ascensus with the assets held at your preferred broker-dealer or institution.
<b>Investment options</b>	<ul style="list-style-type: none"> <li>Open an account through a broker-dealer</li> <li>Assets held outside of Ascensus/self-directed brokerage</li> </ul>
<b>Pricing</b>	
Implementation fee	\$125
Annual base fee	\$425 with 1 participant
	Plus \$150 annually for each additional participant <sup>4</sup>

Pricing is subject to change. Excludes investment expenses.

**Ascensus' award-winning service, technology, expertise, and the simple plan design of an Individual(k) makes offering a retirement solution an easy decision.**

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<sup>4</sup> Fee is also applicable for a participant with multiple accounts including Roth.

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