

— COPILOT 3(38) INDIVIDUAL(K)[™] PLANS—WITH AMERICAN FUNDS—FOR OWNER-ONLY BUSINESSES

An Individual(k) retirement solution designed specifically for owner-only businesses


An Individual(k) is ideal for¹:

- **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.

¹In 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 Potential²

Your W-2 Compensation	Individual(k)	SIMPLE ³ 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.

CoPilot 3(38) Individual(k)—with American Funds—offers key features that meet the specific needs of an owner-only business.

PLAN DESIGN AND SETUP

- ERISA/plan document services
- Rollover contributions
- Onboarding support
- IRS Form 5500 EZ
- Quarterly participant statements
- Ascensus account access

PLAN SERVICES

- Recordkeeping and administration
- Contribution, loan, and distribution processing
- 3(38) Investment manager
- Trust services
- READYSAVE™ App

Goal: Offer a streamlined, cost-effective solution

Optimized for	Ideal for individuals or financial advisors who want a turn key 401(k) solution with a professionally monitored fund lineup.
Investment options	<ul style="list-style-type: none"> ▪ A lineup featuring American Funds investments ▪ 3(38) Investment Manager and an Investment Fiduciary⁴ including Managed Portfolios
Pricing	Implementation Fee\$100
	Annual Base Fee\$365/annually (includes 1 participant) Plus \$48 fee annually for each additional participant
	Annual Custodial and Trading Fee..... 0.07% ⁵
	Annual Investment Fiduciary Fee.....0.25% ⁵

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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² For illustrative purposes only; assumes W-2 compensation.
³ Assumes a 3% employer matching contribution on elective deferrals.
⁴ Investment fiduciary services are offered through Newport Group Consulting, LLC, an SEC registered investment adviser.
⁵ Fees are shown in annual terms but are deducted monthly.

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