

INDIVIDUAL(K) PLANS 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	\$36,000	\$18,000	\$12,500
\$150,000	\$61,000	\$21,000	\$37,500
\$200,000	\$73,500	\$22,500	\$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.

² For illustrative purposes only; assumes W-2 compensation.
³ 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)
Optimized for	Document and recordkeeping services completed by Ascensus with the assets held at your preferred broker-dealer or institution.
Investment options	<ul style="list-style-type: none">▪ Open an account through a broker-dealer▪ Assets held outside of Ascensus/self-directed brokerage
Pricing	
Implementation fee	\$125
Annual base fee	\$425 with 1 participant
	Plus \$150 annually for each additional participant ⁴

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.

 833-893-3233  copilotsales@ascensus.com  ascensus.com

⁴ Fee is also applicable for a participant with multiple accounts including Roth.
This material is for informational purposes only and is not intended to provide legal, tax, accounting, or investment advice. Consult with your own independent advisor for guidance on your specific issues or questions. This content reflects known information as of the date shown, but may be subject to change, and is not represented to be error-free.