

— 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 \$69,000 per year, \$76,500 if age 50+ (for 2024).
-  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 \$23,000 or \$30,500 if age 50+ (for 2024).
-  **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, 2022*) or two consecutive 12-month periods (*for plan years that begin on or after January 1, 2024*). 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 2024, Individual(k) allows for deferrals of up to \$23,000 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 \$16,000.

### 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 to an Individual(k) plan and \$3,500 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.

## Ascensus offers the flexibility to choose from three Individual(k) options to meet the specific needs of an owner-only business.


Key Features	CoPilot 3(38) Daily Value	Daily Value	Non-Daily Value (Balance Forward)
Recordkeeping and administration	●	●	●
Investment options	3(38) Investment manager	Open architecture	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	Quarterly	Quarterly	Annual
Automated account access	Ascensus	Ascensus	Broker-dealer
Trust services	●	●	Assets are held at a broker-dealer outside of Ascensus
READYSAVE™ App	●	●	Not applicable


## Ascensus Individual(k) pricing

	CoPilot 3(38) Daily Value	Daily Value <sup>8</sup>	Non-Daily Value (Balance Forward)
<b>Optimized for</b>	Individuals and financial advisors that want a set lineup managed for them and immediate access to balances and information through a plan website.	Individuals who prefer to have control over their account and immediate access to balances and information through a plan website.	Individuals who prefer to work with a financial advisor who can select and oversee investments and transactions.
<b>Investment options</b>	<ul style="list-style-type: none"> <li>3(38) Investment Manager and an Investment Fiduciary<sup>4</sup> including Managed Portfolios</li> </ul>	<ul style="list-style-type: none"> <li>Open architecture platform</li> <li>Up to 12 investment options</li> <li>Assets held at Ascensus</li> </ul>	<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	\$100	\$125	\$125
Annual base fee	\$365 with 1 participant	\$425 with 1 participant	\$425 with 1 participant
	Plus \$48 annually for each additional participant	Plus \$150 annually for each additional participant	Plus \$150 annually for each additional participant <sup>7</sup>
Annual custodial & trading fee	0.07% <sup>5</sup>	0.07% <sup>6</sup>	Not applicable
Annual investment fiduciary fee	0.25% <sup>5</sup>	Not applicable	Not applicable

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> Investment fiduciary services are offered through Ascensus Investment Advisors, LLC a registered investment adviser.

<sup>5</sup> Fees are shown in annual terms but are deducted monthly.

<sup>6</sup> Fee applicable for fee-based and level-commission plans will be deducted annually.

<sup>7</sup> Fee is also applicable for a participant with multiple accounts including Roth.

<sup>8</sup> **For daily valued plans:** Ascensus may receive compensation from certain plan investment options (such as mutual funds) for services that Ascensus provides to those investment options, including processing the purchase and redemption of fund shares and participant-level fund recordkeeping. The compensation paid to Ascensus by those investment options is based either on a percentage of the average daily net asset value of shares invested in the fund, or on a fee per each participant that invests in the fund. This compensation is sometimes referred to as sub-transfer agency fees, shareholder service fees, revenue sharing, or other terms. The rate of compensation generally ranges from 0.05% to 0.35% (5 to 35 basis points) of average daily net asset value of shares invested in the fund, or \$2 to \$20 per participant that invests in the fund, although actual amounts received may differ depending on the investment options and plan services selected.

**For fee-based and level-commission plans:** Any plan investment option that does not pay to Ascensus annually at least 0.25% (25 basis points) of the average daily net asset value of shares invested in the investment option, Ascensus will debit from participants invested in that investment option a fee equal to the difference between the amount that the investment option pays to Ascensus and 0.25%. Ascensus will debit this fee quarterly. This fee will be capped at \$62.50 per participant per calendar quarter or a total of \$250 per participant per calendar year.