

# The Solo(k) Plan

## What is a Solo(k) Plan?

A Solo(k) Plan can be established by a business that is 100 percent owned by an individual or an individual and his or her spouse. This includes corporations, partnerships, sole proprietors and limited liability companies. The business may be incorporated or unincorporated.

## Why choose a Solo(k) Plan?

A Solo(k) Plan can:

- Be established up to the last day of the business' fiscal year.
- Allow a business owner to contribute salary deferrals in addition to their profit-sharing contribution, up to the annual combined limit currently set at \$49,000. The current limit for salary deferrals is \$16,500. Catch-up contributions are allowed for those 50 and older. The current limit for catch-up contributions is \$5,500, which is not included in the total combined limit of \$49,000.
- Allow participant loans. The maximum loan amount is one half of the participant's account balance or \$50,000, whichever is less.
- Be designed for new and takeover plans.
- Allow rollovers from a traditional IRA, SEP, SIMPLE, profit sharing, 401(k) plan. After-tax money is not allowed.

Solo(k) Plans allow you and your financial advisor to choose the portfolio that is right for you. Investment options include stocks, bonds, mutual funds and other similar investments. Life insurance is not allowed.

## **Solo(k) Plans grow with your company.**

*A Solo(k) Plan can be easily converted to a regular 401(k) plan as your company grows.*

# BUSH RETIREMENT PLAN SERVICES

PLAN DESIGN, ADMINISTRATION AND CONSULTING

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Please provide the following information in its entirety and e-mail to [dbush@bushrps.com](mailto:dbush@bushrps.com).

## Company Information

For the **Plan Sponsor:**

**Name:**

**Address (line 1):**

**Address (line 2):**

**City:**

**State:**

**ZIP:**

**Phone:**

**Fax:**

**EIN:**

**Fiscal year end:**

**Entity type:**

C Corporation  S Corporation  Partnership  Limited Liability Company

Limited Liability Partnership  Sole Proprietorship

**Ownership Percentages:** *List name and percentage of each owner*

**State of organization of Plan Sponsor:**

**Type of Compensation:**

W-2 Income  W-2 +K-1 income  Schedule C  Schedule K-1

**Does your business currently maintain a 401(k) plan?**  Yes  No

**Does your business have employees, other than a spouse, who work more than 1,000 hours per year?**  Yes  No

**Does your business use leased employees?**  Yes  No

**Is the Plan Sponsor a member of an affiliated service group?**  Yes  No

**Is the Plan Sponsor a member of a controlled group?**  Yes  No

## Contact Information

**Name:**

**Title:**

**Phone:**

**Fax:**

**E-mail:**

## Financial Advisor Information

**Name:**

**Firm:**

**Phone:**

**E-mail :**

## Plan Design Features

*Your Solo(k) Plan is simple and easy to administer. The Adoption Agreement is a standardized prototype with limited selections. The plan design checklist is listed below.*

**Participation:** To be eligible to participate in the plan each employee must meet the age and service requirements and be employed on the next entry date.

**Age Requirement** *(Choose one)*

- 18 Years of Age
- 21 Years of Age

**Service Requirement** *(Choose one)*

- No Service Requirement
- One Year of Service (1,000 hours)

**Entry Date** *(Choose one)*

- Immediate Entry
- Semiannual: January 1 and July 1

**Vesting** *(Choose one)*

- Vesting is immediately 100 percent
- 6-Year Graded (2/20)

**Loans** *(Default)*

Loans will be allowed

**Rollovers** *(Default)*

Rollovers from other qualified plans and IRA are allowed.

**Employer Contribution Formula** *(Choose one)*

- Basic Comp-to-Comp Formula
- Integrated Formula – Additional fees will apply

**E-mail completed checklist to [dbush@bushrps.com](mailto:dbush@bushrps.com).**

## Solo(k) Plan Fees

Service	Fee
One-time set-up fee; includes all plan documents and forms*	\$300
Annual Service Fee**	\$250 per participant
Loan Fee	\$150
Distribution Fee	\$75
Form 5500EZ (assets under \$250,000)	\$200
Form 5500 (assets more than \$250,000)	\$300- \$500
Plan Amendments	\$150
Plan Restatements	\$500
Calculation of Integrated Formula Employer Contribution	\$350

\* One Time Set-up Fee and Annual Service Fee due upon establishment of Plan

\*\* Ongoing Annual Service Fee due first day of Plan year