



SOLO(K): Smart Retirement & Tax Saving Strategy for the Self- Employed



WHAT IS A SOLO(K)?

A Solo(k) plan is a retirement plan created specifically for self-employed individuals.* It affords the opportunity to take advantage of greater retirement and tax savings while offering the greatest flexibility in funding and a full range of investment options.

If any of the below statements apply to you, you are a candidate for a Cetera® Retirement Plan Specialists Solo(k):

- » I am an owner of an unincorporated business that employs only me or me and my spouse
- » I am a partner in a partnership that employs only partners or partners and their spouses
- » I am a sole owner of a corporation (or an LLC taxed as a corporation) that employs only me or me and my spouse
- » One of the statements above is true and my business has part-time employees, but none of them have ever worked 1,000 hours in a 12-month period starting with their date of employment

*Solo(k) plans are only available for for-profit business entities.

WHY YOU SHOULD CONSIDER A SOLO(K)

Pay Less in Taxes. Save More for Retirement.

Get tax deductions now and tax-deferred growth on what you contribute. A Solo(k) works pre-retirement and beyond. With a Roth 401(k) feature, withdrawals can be tax-free later to help manage income.*

Maximize What You Can Contribute

SIMPLE, SEP, and profit-sharing plans may limit savings. In 2025, a Solo(k) can allow up to \$70,000, or \$77,500 if you're 50+. For ages 60–63, a “super catch-up” may raise this to \$81,250 if permitted. The chart below highlights deductible contributions for a \$100,000 income, for those under 50 and age 50+.

Flexible Access if Needs Arise

Before retirement, a Solo(k) may allow loans (up to 50% of your balance, max \$50,000) and in-service distributions, including hardship withdrawals.**

Enjoy Flexible Funding

Contribute on your schedule. With a Solo(k), you choose how much to put in and when—continue, pause for a year, or restart anytime. Work with your financial professional to open your plan account. Pick the investments that fit your goals, no required product or fund family.

Build a Plan That Grows With Your Business

As your business expands, your Solo(k) can adapt. Our Cetera Retirement Plan Specialists Solo(k) includes options that work now and later—unlike many standard, one-size plans.

Keep Admin Light

We handle required plan document updates. File a plan tax return (Form 5500) only when plan assets are above \$250,000.

		Deductible Contribution			
Income	Age	SIMPLE	SEP	Profit Sharing	Solo(k)
\$100,000	Under 50	\$16,500	\$25,000	\$25,000	\$70,000
\$100,000	50+	\$20,000	\$25,000	\$25,000	\$77,500

*Contributions to Roth 401(k)s are made on an after-tax basis; distributions are tax-free if they are qualified.

**Income tax and an early withdrawal penalty may apply if you are under age 59½ at the time of distribution.



HOW TO START: FOUR EASY STEPS

STEP 1: ADOPT THE PLAN

Please notify your financial advisor to initiate the plan document and account document processes. In order to start the process, please ensure that your business entity has a business EIN. If you do not have a business EIN, you should apply directly to the IRS ([click here](#)) to receive an EIN in minutes. The deadline for adoption is different depending on the business type. Sole Proprietors may open a new plan and make salary deferrals up to April 15 after the year end. Other entities must open the plan and process salary deferrals by December 31st .

STEP 3: FUND THE PLAN

Salary deferrals: Spouses and owners of incorporated businesses (including an LLC taxed as a corporation) should withhold their salary deferrals no later than the last payroll of the year (generally December 31) and transmit them to participant accounts no later than seven business days after the payroll or bonus payment. Sole proprietors may deposit their salary deferrals by the due date of their tax return, including extensions. All salary deferral election forms must be completed before the deferral is made.

Company profit-sharing contributions: Funding is discretionary. Their due date is the business' tax-filing deadline (including extensions) for the year contributions are made.

STEP 2: ESTABLISH ACCOUNTS AND COMPLETE SALARY DEFERRAL FORM(S)

Establish a separate account for each Plan Participant. Open a separate account for Roth 401(k) deferrals for each participant making Roth contributions, using the same account form with the fbo "[participant name] Roth". Complete salary deferral forms to indicate your deferral election amount for the year and any time the participant changes their deferral amount. The business owner should retain in their files.

STEP 4: SIMPLIFY YOUR LIFE – KNOW YOUR OPTIONS

If you have other retirement accounts, you should carefully consider all your options and the costs and benefits of leaving the accounts as is or moving them to your new plan. Profit-sharing plans, other 401(k) plan accounts, SEP IRAs, SIMPLE IRAs, 403(b)s, governmental 457(b)s and traditional and rollover IRAs may be moved to your new Solo(k) plan account. Contact your financial professional for more information.



HOW TO MAINTAIN THE PLAN

At the end of every year, you need to determine whether you would like to make any profit-sharing contributions into the plan.

Because profit-sharing funding is discretionary, you do not have to fund the plan every year. If you choose to make a profit-sharing contribution, we will help you calculate the amount.

While the Internal Revenue Service (IRS) periodically requires that changes be made to plan documents, we do our best to streamline the paperwork. When the time comes for one of these changes, we will prepare a plan amendment and send it to you for your signature.*

You do not have to file a tax return for your plan (Form 5500) until plan assets exceed \$250,000 or you terminate the plan, whichever comes first. When assets exceed \$250,000, we will prepare the plan return at no additional cost. If you would like us to file a return before the assets exceed \$250,000, we will gladly do so for a nominal fee upon your request.

*Refer to the fee schedule for pricing details. Cetera Retirement Plan Specialists is a third-party administrator and may not offer tax, legal and investment advice. Plan sponsors should consult their tax, legal and investment professionals.

For a comprehensive review of your personal situation, always consult with a tax or legal advisor. Neither Cetera nor any of its representatives may give legal or tax advice. Some IRAs have contribution limitations and tax consequences for early withdrawals. For complete details, consult your tax advisor or attorney.

Affiliate Entities

Cetera Retirement Plan Specialists may provide third party administrative services (TPA) to clients of financial professionals, who are affiliated with its family of broker-dealers and registered investment advisers. Cetera Retirement Plan Specialists is part of Cetera Financial Group, Cetera Retirement Plan Specialists and its related entities operate independently and there is no requirement for retirement plan clients of Cetera Financial Group firms to engage with Cetera Retirement Plan Specialists.

About Cetera Financial Group

"Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Wealth Services, LLC, Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), and Cetera Financial Specialists LLC. All firms are members FINRA / SIPC. Located at 655 W. Broadway, 11th Floor, San Diego, CA 92101.