

Options When You Are Self-Employed and Have No Employees

Retirement Plan	Maximum Employee Contribution	Maximum Employer Contribution
SEP-IRA	N/A	Up to 20% of your net self-employment income ¹ but not to exceed \$70,000. ²
401(k)	\$23,500 (\$31,000 if 50-59 or 64+, \$34,750 if 60-63) ³	20% of your net self-employment income, ⁴ but not more than \$70,000 for both your employee and employer contributions (\$77,500 if 50 or older). Catch-up contribution \$7,500 (50-59 or 64+), \$11,250 (60-63). ⁵
SIMPLE-IRA	\$17,600 (\$21,450 if 50-59 or 64+, \$22,850 if 60-63)	Plus either: <ol style="list-style-type: none"> 1. A matching contribution equal to the lesser of 3 percent of your defined self-employment income or the amount of your elective deferral;⁶ or 2. A nonelective contribution of 2 percent of your defined self-employment income limited to no more than \$350,000.⁷ Catch-up contribution \$3,850 (50-59 or 64+), \$5,250 (60-63). SECURE Act 2.0 permits an employer to make additional contributions to each employee of the plan in a uniform manner, provided that the contribution doesn't exceed the lesser of 10% of compensation or \$5,000.
Traditional IRA	\$7,000 (\$8,000 if 50 or older) ⁸	N/A
Roth IRA	\$7,000 (\$8,000 if 50 or older) ⁹	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$280,000 ¹⁰

¹ IRC Sections 401(c)(2); 402(h)(2); 404(h); 408(k)(7)(B); 414(s); 415(c)(1)(A); 415(c)(3)(B).

² Notice 2024-80.

³ IRC Section 401(g); IR 2024-285.

⁴ IRC Section 402(i).

⁵ Notice 2024-80.

⁶ IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I).

⁷ IRC Sections 408(p)(2)(B); 401(a)(17); Notice 2024-80.

⁸ Notice 2024-80.

⁹ Ibid.

¹⁰ IRC Sections 404(a)(1); 404(a)(8); 415(b); 415(b)(1)(A); Notice 2024-80.

**Sole Proprietorship
& Partnership**

Options When You Are the Only Employee

Retirement Plan	Maximum Employee Contribution	Maximum Employer Contribution
SEP-IRA	N/A	25% of your wages, ¹¹ but not more than \$70,000 ¹²
401(k)	\$23,500 (\$31,000 if 50-59 or 64+, \$34,750 if 60-63) ¹³	25% of your wages, ¹⁴ but not more than \$70,000 considering both your employee and corporate (employer) contributions (\$77,500 if 50 or older). Catch-up contribution \$7,500 (50-59 or 64+), \$11,250 (60-63). ¹⁵
SIMPLE-IRA	\$17,600 (\$21,450 if 50-59 or 64+, \$22,850 if 60-63)	<p>Plus either:</p> <ol style="list-style-type: none"> 1. A matching contribution of 3 percent¹⁶ of your employee deferral up to 3 percent; or 2. A nonelective contribution of 2 percent of compensation¹⁷ to all eligible employees (you)¹⁸ whether or not you make a salary deferral. <p>Catch-up contribution \$3,850 (50-59 or 64+), \$5,250 (60-63).</p> <p>SECURE Act 2.0 permits an employer to make additional contributions to each employee of the plan in a uniform manner, provided that the contribution doesn't exceed the lesser of 10% of compensation or \$5,000.</p>
Traditional IRA	\$7,000 (\$8,000 if 50 or older) ¹⁹	N/A
Roth IRA	\$7,000 (\$8,000 if 50 or older) ²⁰	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$280,000 ²¹

¹¹ IRC Section 404(h)(1)(C).

¹² Notice 2024-80.

¹³ IRC Section 401(g); IR 2024-285.

¹⁴ IRC Section 402(i).

¹⁵ Notice 2024-80.

¹⁶ IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I)

¹⁷ IRC Section 408(p)(2)(B)

¹⁸ IRC Section 408(p)(4)

¹⁹ Notice 2024-80.

²⁰ Ibid.

²¹ IRC Sections 404(a)(1); 404(a)(8); 415(b); IRC Section 415(b)(1)(A); Notice 2024-80.

**S Corporation
& C Corporation**