

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 \$72,000. ²
401(k)	\$24,500 (\$32,500 if 50-59 or 64+, \$35,750 if 60-63) ³	20% of your net self-employment income, ⁴ but not more than \$72,000 for both your employee and employer contributions (\$80,000 if 50 or older). Catch-up contribution \$8,000 (50-59 or 64+), \$11,250 (60-63). ⁵
SIMPLE IRA (elected higher small-employer limit)	\$18,100 (\$21,950 if 50-59 or 64+, \$23,350 if 60-63) Catch-up contribution \$3,850 (if 50-59 or 64+), \$5,250 (if 60-63).	Plus, your self-employed business must either: <ol style="list-style-type: none"> 1. Make a matching contribution equal to the lesser of 3% of your defined self-employment income or the amount of your elective deferral;⁶ or 2. Make a nonelective contribution of 2% of your defined self-employment income limited to no more than \$360,000.⁷ 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 \$5,300. ⁸
Traditional IRA	\$7,500 (\$8,600 if 50 or older) ⁹	N/A
Roth IRA	\$7,500 (\$8,600 if 50 or older) ¹⁰	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$290,000. ¹¹

Corrected SIMPLE IRA to \$21,950 and \$3,850 on January 2, 2026.

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

² Notice 2025-67.

³ IRC Section 401(g); Notice 2025-67.

⁴ IRC Section 402(i).

⁵ Notice 2025-67.

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 2025-67.

⁸ Notice 2025-67.

⁹ Ibid.

¹⁰ Ibid.

¹¹ IRC Sections 404(a)(1); 404(a)(8); 415(b); 415(b)(1)(A); Notice 2025-67.

**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, ¹² but not more than \$72,000 ¹³
401(k)	\$24,500 (\$32,500 if 50-59 or 64+, \$35,750 if 60-63) ¹⁴	25% of your wages, ¹⁵ but not more than \$72,000 considering both your employee and corporate (employer) contributions (\$80,000 if 50 or older). Catch-up contribution \$8,000 (50-59 or 64+), \$11,250 (60-63). ¹⁶
SIMPLE IRA (elected higher small-employer limit)	\$18,100 (\$21,950 if 50-59 or 64+, \$23,350 if 60-63) Catch-up contribution \$3,850 (if 50-59 or 64+), \$5,250 (if 60-63).	Plus your corporation (employer) must either: <ol style="list-style-type: none"> 1. Make a matching contribution of 3%¹⁷ of your employee deferral up to 3%; or 2. Make a nonelective contribution of 2% of compensation¹⁸ to all eligible employees (you)¹⁹ whether or not you make a salary deferral. <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 \$5,300.²⁰</p>
Traditional IRA	\$7,500 (\$8,600 if 50 or older) ²¹	N/A
Roth IRA	\$7,500 (\$8,600 if 50 or older) ²²	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$290,000. ²³

Corrected SIMPLE IRA to \$21,950 and \$3,850 on January 2, 2026.

¹² IRC Section 404(h)(1)(C).

¹³ Notice 2025-67.

¹⁴ IRC Section 401(g); Notice 2025-67.

¹⁵ IRC Section 402(i).

¹⁶ Notice 2025-67.

¹⁷ IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I).

¹⁸ IRC Section 408(p)(2)(B).

¹⁹ IRC Section 408(p)(4).

²⁰ Notice 2025-67

²¹ Ibid.

²² Ibid.

²³ IRC Sections 404(a)(1); 404(a)(8); 415(b); 415(b)(1)(A); Notice 2025-67.

**S Corporation
& C Corporation**