

Solo 401(k) plans provide larger contributions to proprietors or sole S-Corp shareholders at income levels up to \$262,548 of schedule C income or \$244,000 of W-2 wages.

<b>Self-Employment Compensation</b>						
Schedule C Profit	\$50,000	\$75,000	\$150,000	\$200,000	\$262,548	\$318,377
Less SE Tax Deduction	(\$3,532)	(\$5,299)	(\$10,597)	(\$11,792)	(\$12,630)	(\$13,377)
<b>Net Earnings for Contribution</b>	<b>\$46,468</b>	<b>\$69,701</b>	<b>\$139,403</b>	<b>\$188,208</b>	<b>\$249,918</b>	<b>\$305,000</b>
<b>W-2 Wages for Incorporated Business</b>						
W-2 Income	\$37,172	\$55,760	\$111,520	\$150,564	\$199,932	\$244,000
<b>SEP Plan</b>						
Maximum SEP Contribution	\$9,293	\$13,940	\$27,880	\$37,641	\$49,983	\$61,000
<b>Solo 401(k)</b>						
401(k) Deferral	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500	\$20,500
Profit Sharing Contribution	\$9,293	\$13,940	\$27,880	\$37,641	\$40,500	\$40,500
<b>TOTAL if Less than Age 50</b>	<b>\$29,793</b>	<b>\$34,440</b>	<b>\$48,380</b>	<b>\$58,141</b>	<b>\$61,000</b>	<b>\$61,000</b>
Plus Catch-up if Age 50+	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
<b>TOTAL if Age 50+</b>	<b>\$36,293</b>	<b>\$40,940</b>	<b>\$54,880</b>	<b>\$64,641</b>	<b>\$67,500</b>	<b>\$67,500</b>
Solo 401(k) Advantage < 50	\$20,500	\$20,500	\$20,500	\$20,500	\$11,017	\$0
Solo 401(k) Advantage 50+	\$27,000	\$27,000	\$27,000	\$27,000	\$17,517	\$6,500

A Solo 401(k) permits salary deferral contributions, as well as catch-up contributions for those over 50, in addition to the 25% contribution.