

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 \$264,000 of W-2 wages.

Self-Employment Compensation						
Schedule C Profit	\$50,000	\$75,000	\$150,000	\$200,000	\$275,000	\$344,546
Less SE Tax Deduction	(\$3,532)	(\$5,299)	(\$10,597)	(\$12,611)	(\$13,615)	(\$14,546)
Net Earnings for Contribution	\$46,468	\$69,701	\$139,403	\$187,389	\$261,385	\$330,000
W-2 Wages for Incorporated Business						
W-2 Income	\$37,172	\$55,760	\$111,520	\$149,908	\$209,108	\$264,000
SEP Plan						
Maximum SEP Contribution	\$9,293	\$13,940	\$27,880	\$37,477	\$52,277	\$66,000
Solo 401(k)						
401(k) Deferral	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500	\$22,500
Profit Sharing Contribution	\$9,293	\$13,940	\$27,880	\$37,477	\$43,500	\$43,500
TOTAL if Less than Age 50	\$31,793	\$36,440	\$50,380	\$59,977	\$66,000	\$66,000
Plus Catch-up if Age 50+	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
TOTAL if Age 50+	\$39,293	\$43,940	\$57,880	\$67,477	\$73,500	\$73,500
Solo 401(k) Advantage < 50	\$22,500	\$22,500	\$22,500	\$22,500	\$13,723	\$-
Solo 401(k) Advantage 50+	\$30,000	\$30,000	\$30,000	\$30,000	\$21,223	\$7,500

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