

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	\$360,278
Less SE Tax Deduction	(\$3,532)	(\$5,299)	(\$10,597)	(\$13,131)	(\$14,136)	(\$15,278)
Net Earnings for Contribution	\$46,468	\$69,701	\$139,403	\$186,869	\$260,864	\$345,000
W-2 Wages for Incorporated Business						
W-2 Income	\$37,172	\$55,760	\$111,520	\$149,492	\$208,688	\$276,000
SEP Plan						
Maximum SEP Contribution	\$9,293	\$13,940	\$27,880	\$37,373	\$52,172	\$70,000
Solo 401(k)						
401(k) Deferral	\$23,500	\$23,500	\$23,500	\$23,500	\$23,500	\$23,500
Profit Sharing Contribution	\$9,293	\$13,940	\$27,880	\$37,373	\$46,500	\$46,500
TOTAL if Less than Age 50	\$32,793	\$37,440	\$51,380	\$60,873	\$70,000	\$70,000
Plus Catch-up if Age 50+	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500
TOTAL if Age 50+	\$40,293	\$44,940	\$58,880	\$68,373	\$77,500	\$77,500
Plus Super Catch-up if Age 60-63	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250
TOTAL if Age 60-63	\$51,543	\$56,190	\$70,130	\$79,623	\$88,750	\$88,750
Solo 401(k) Advantage < 50	\$23,500	\$23,500	\$23,500	\$23,500	\$17,828	\$-
Solo 401(k) Advantage 50+	\$31,000	\$31,000	\$31,000	\$31,000	\$25,328	\$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.