


SOLO(K)


Cetera® RETIREMENT PLAN SPECIALISTS

A Flexible Retirement Plan for the Self-Employed

WHAT IS A SOLO(K)?

A Solo(k) plan is a retirement plan created specifically for self-employed individuals.[1] It affords the opportunity to take advantage of greater retirement and tax savings while offering the greatest flexibility in funding and a full range of investment options.

If any of the below statements apply to you, you are a candidate for a Cetera® Retirement Plan Specialists Solo(k):

» I am an owner of an unincorporated business that employs only me or me and my spouse

» I am a partner in a partnership that employs only partners or partners and their spouses

» I am a sole owner of a corporation (or an LLC taxed as a corporation) that employs only me or me and my spouse

» One of the statements above is true and my business has part-time employees, but none of them have ever worked 1,000 hours in a 12-month period starting with their date of employment

1 Solo(k) plans are only available for for-profit business entities.

WHY YOU SHOULD CONSIDER A SOLO(K)

Reduce Your Taxable Income Today

Enjoy tax deductions and tax-deferred growth for plan contributions.

Get Better Control of Your Taxes in Retirement

A Solo(k) plan is designed with both pre-retirement and retirement in mind. By utilizing a Roth 401(k) feature, you gain access to tax-free retirement distributions to help you manage your taxable income.[2]

Reduce Losses to Unnecessary Taxes

Do you know that SIMPLE, SEP, and profit-sharing plans may unnecessarily limit your contributions? Maximize your annual savings in a Solo(k) up to $69,000, or $76,500 if you are at least 50 years old.

The Deductible Contribution chart below illustrates how a Solo(k) can maximize annual savings for someone with $100,000 income, with deductible contributions shown for both under age 50 and age 50+ participants.

Improve Access to Funds in Case of Need

Life happens. If you require access to your funds before retirement, a Solo(k) provides access to plan loans (up to 50 percent of account balance, not to exceed $50,000) and in-service distributions, including hardship withdrawals.[3]

Enjoy Maximum Flexibility in Funding

Solo(k) funding is completely discretionary, which means you are in control of how much and when you fund the plan. Continue funding or skip for a year—it's up to you.

Direct Your Investments Your Way

It's your money. Your new plan document will not restrict you to a specific investment product or family of mutual funds. You can work with your financial professional to open a plan account and you can direct your investments as appropriate.

Set Up a Smart Plan that Keeps Pace with Your Business

For small-business owners, flexibility and the ability to actively work on securing your retirement are key priorities. As your business grows and expands, so will your Solo(k) plan. Unlike prototype plans offered by our competitors, the Cetera Retirement Plan Specialists Solo(k) plan document has a variety of provisions to enable the plan to work for you both today and in the future.

Enjoy Minimum Administrative Responsibilities

We take care of all required changes to your plan document. A plan tax return (Form 5500) is required only when plan assets exceed $250,000.

		Deductible Contribution			
Income	Age	SIMPLE	SEP	Profit Sharing	Solo(k)
$100,000	Under 50	$19,000	$25,000	$25,000	$48,000
$100,000	50+	$22,500	$25,000	$25,000	$55,500

2 Contributions to Roth 401(k)s are made on an after-tax basis; distributions are tax-free if they are qualified.

3 Income tax and an early withdrawal penalty may apply if you are under age 59½ at the time of distribution.

HOW TO START: FOUR EASY STEPS

STEP 1: ADOPT THE PLAN

Complete the Plan Setup Authorization and send it to Cetera Retirement Plan Specialists. Cetera Retirement Plan Specialists will prepare the plan documents and deliver them to you electronically within fifteen business days. Sign the documents and keep them in your files. You have to establish the plan by the end of your company's tax year, usually December 31.

NOTE: Effective January 1, 2020, SECURE ACT provides an extended deadline to start a new plan. An employer is allowed to adopt a new plan for a tax year as long as the plan is adopted by the due date for the employer's tax return for that year (including extensions). This extension does not apply to salary deferral arrangements; salary deferral provision in such cases can be effective in the second plan year. (Effective with plan years beginning in 2023, in case of a new retroactive adoption of a 401(k) plan, Sole Proprietors with no employees may make a salary deferral contribution up to the unextended filing deadline of their tax return. No parallel provision is available for entities with employees and/or other business forms.)

STEP 2: ESTABLISH ACCOUNTS AND COMPLETE SALARY DEFERRAL FORM(S)

Establish a separate account for each plan participant. Open a separate account for Roth 401(k) deferrals for each participant making Roth contributions. Complete salary deferral forms to indicate your deferral election amount for the year. The deferral form will need to be completed whenever you make changes to your elections. Retain it in your files.

STEP 3: FUND THE PLAN

Salary deferrals: Spouses and owners of incorporated businesses (including an LLC taxed as a corporation) should reflect their salary deferrals no later than the last payroll of the year (generally December 31) and transmit them to participant accounts no later than seven business days after the payroll or bonus payment. Sole proprietors and partners may deposit their salary deferrals by the due date of their tax return, including extensions. All salary deferral election forms must be completed before the deferral is made, in no event later than December 31.

Company profit-sharing contributions: Funding is discretionary. In the year when contributions are made, their due date is the business' tax-filing deadline, including extensions.

STEP 4: SIMPLIFY YOUR LIFE – KNOW YOUR OPTIONS

If you have other retirement accounts, you should carefully consider all your options and the costs and benefits of leaving the accounts as is or moving them to your new plan. Profit-sharing plans, other 401(k) plan accounts, SEP IRAs, SIMPLE IRAs, 403(b)s, governmental 457(b)s and traditional and rollover IRAs may be moved to your new Solo(k) plan account. Contact your financial professional for more information.

HOW TO MAINTAIN THE PLAN

At the end of every year, you need to determine whether you would like to make any profit-sharing contributions into the plan. Because profit-sharing funding is discretionary, you do not have to fund the plan every year. If you choose to make a profit-sharing contribution, we will help you calculate the amount.

While the Internal Revenue Service (IRS) periodically requires that changes be made to plan documents, we do our best to streamline the paperwork. When the time comes for one of these changes, we will prepare a plan amendment and send it to you for your signature.[4]

You do not have to file a tax return for your plan (Form 5500) until plan assets exceed $250,000 or you terminate the plan, whichever comes first. When assets exceed $250,000, we will prepare the plan return at no additional cost. If you would like us to file a return before the assets exceed $250,000, we will gladly do so for a nominal fee upon your request.

CLICK TO COMPLETE ONLINE PLAN SETUP AUTHORIZATION TO START PLAN INSTALLATION PROCESS

4.Refer to the fee schedule for pricing details. Cetera Retirement Plan Specialists is a third-party administrator and may not offer tax, legal and investment advice. Plan sponsors should consult their tax, legal and investment professionals.

Next Steps

1) Upon receipt of the Plan Setup Authorization form, Cetera Retirement Plan Specialists will draft all the appropriate documents for you and deliver them for electronic signature to the person indicated on the form.
2) Review, sign and date documents. Once signed, they will be automatically routed to your financial professional. We will also save a copy in your secure online portal.
3) Open plan accounts for each participant. Consider opening a separate account for Roth 401(k) deferrals for each participant making Roth contributions.
4) Each participant needs to receive a copy of the Summary Plan Description and complete the Salary Deferral and Beneficiary Designation forms. These documents are available in your client portal.
5) Based on the elections made in the salary deferral forms, transmit salary deferrals to participant accounts no later than seven business days after payroll or bonus payment. All salary deferral election forms must be completed before the deferral is made, in no event later than December 31.
6) At the end of the plan year, determine whether any profit-sharing contributions will be made. Determine the amount together with your tax advisor, or request that your retirement plan consultant complete it for you.
7) Deposit profit-sharing contributions by the due date of your business tax return, including extensions.
8) If combined plan assets exceed $250,000 at the end of plan year, contact your Retirement Plan Consultant about filing Form 5500.

Cetera Retirement Plan Specialists Solo(k) Fee Schedule	
Plan Installation	$500
Annual Fees	
Annual compliance (plan compliance review, contribution calculation, one participant, trust accounting, and Form 5500 for plans with assets >$250,000)	$575
Each additional participant	$100
Roth 401(k), additional per participant (per Roth 401(k) account)	$100
Contribution calculation (for calculations completed by Cetera Retirement Plan Specialists)	Included in Annual Fee
Trust accounting for assets held outside of Pershing or Cetera Financial Institutions, per account	$350
Form 5500	
Assets >$250,000	Included in Annual Fee
Assets <$250,000, prepared upon request	$200
Form 5558 - Extension to file Form 5500	$250
Loans	
Setup	$175
Annual maintenance (loan compliance and reconciliation)	$50
Distributions	
Election forms, per form	$200
Form 945, per form	$175
Form 1099-R, per form	$100
Required Minimum Distribution (RMD) calculation	$150
Required Plan Amendments	$150
Plan Termination	$275
Consulting (issues outside of Solo(k) annual compliance and/or contribution calculations)	$200/hr

Cetera Retirement Plan Specialists
Mailing Address: Cetera Retirement Plan Specialists | P.O. Box 303, St. Cloud, MN 56302
Corporate Headquarters: Cetera Retirement Plan Specialists | 655 West Broadway, 12th Floor San Diego CA 92101

Affiliated Entities

Cetera Retirement Plan Specialists may provide third party administrative services (TPA) to clients of financial professionals, who are affiliated with its family of broker-dealers and registered investment advisers. Cetera Retirement Plan Specialists is part of Cetera Financial Group®. Cetera Retirement Plan Specialists and its related entities operate independently and there is no requirement for retirement plan clients of Cetera Financial Group firms to engage with Cetera Retirement Plan Specialists.

About Cetera Financial Group

Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Advisor Networks LLC, Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), and Cetera Financial Specialists LLC. All firms are members FINRA/SIPC. Located at 655 W. Broadway, 11th Floor, San Diego, CA 92101.

Individuals affiliated with Cetera firms are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.