

# Solo 401(k)s

## Key Features and Benefits

For sole proprietors, the Solo 401(k) offers the same plan options, contribution limits and flexibility that are available in company 401(k) plans. As a result, single-owner businesses are able to put away more money for retirement in a shorter amount of time using a combination of salary deferral and profit sharing contributions.

### Solo 401(k)s Offer Many Benefits

Sole proprietors choose to open a Solo 401(k) because of the following benefits:

- **Complete Contribution Flexibility**  
The business owner decides each year whether to contribute and how much.
- **Higher Contribution Limits**  
Tax-deferred contributions can be up to three times that offered by other types of retirement plans.
- **Easy Set-up**  
No complicated administrative requirements.
- **Consolidation Convenience**  
Ability to consolidate assets from Traditional IRAs or other retirement plans into a Solo 401(k).
- **Ability to Borrow**  
Owners can borrow up to the lesser of \$50,000 or one half of the Solo 401(k) balance. A loan can be used for any purpose and the loan is tax-free and penalty free as long as it's paid back on time.

The benefits of the Solo 401(k) were enhanced by the passage of federal legislation that allows Solo 401(k) contributions to be earmarked as Roth 401(k) contributions, thereby providing the opportunity to take tax-free withdrawals/distributions after age 59½. You should consult your tax advisor to see if this option is right for you.

### Solo 401(k) contribution limits

Solo 401(k)s may be excellent retirement plans for a variety of single person businesses including sole proprietorships, limited liability companies, partnerships and corporations. Candidates for these types of plans include real estate brokers, sole practitioner CPA firms, consultants, contractors, entrepreneurs, attorneys and tradesmen.

ELIGIBLE CONTRIBUTIONS		2020
Employee	Annual Contribution	\$19,500
	50+ Catch-Up Provision	\$6,500
Employer	Up to 25% of W2 Compensation, if incorporated	
	Up to 20% of Self Employment Income as Sole Proprietor	
Total Plan Contribution Limits	Lesser of 100% of compensation or the amount indicated here (includes catch-up contribution)	\$57,000

Opening a Solo 401(k) with Millennium Trust offers the added benefit of being able to invest retirement funds in a broad range of investments, including traditional and alternative investments.

# Solo 401(k)s Key Features and Benefits

We are your ally in supporting a diversified multi-asset portfolio. We provide access to, and custody solutions for, alternative investments so you can take advantage of new and emerging opportunities with confidence.

## Service

For sophisticated investors, we believe support is essential to provide a fluid experience. Millennium Trust is always available — by phone or email — to answer your questions or support your needs.

We are completely independent and unbiased, and while we don't provide investment advice, we prioritize the custody of your assets, regulatory transparency and your satisfaction as a client.

## Access

As a custody provider, we provide you with access to a wide range of choices.

Custody for alternative investments and retirement and taxable accounts through our website.

Access to a wide spectrum of investment options for qualified investors through our Millennium Alternative Investment Network® (MAIN®).

More options mean more opportunity to diversify your portfolio.

## Expertise

Established in 2000, Millennium Trust is an expert provider of specialty custody solutions that make access to alternative assets possible. Our custody expertise gives you the peace of mind that the details are taken care of. Whether it's hedge funds, or real estate, traditional investments, or a range of other investments, Millennium Trust has the know-how to provide the right custody solutions for you.

## ABOUT MILLENNIUM TRUST



Privately-owned trust company headquartered in Chicago area



Specializing in custody and retirement services



Over 1.6 million client accounts

More than \$30 billion assets under custody

Regulated by the State of Illinois

Established in 2000, Millennium Trust is an expert provider of custody solutions committed to the evolving needs of advisors, financial institutions, businesses, and individual investors. Millennium Trust empowers clients with trusted expertise, exceptional service and access to a wide range of custody solutions. Whether you are managing alternative assets, investment accounts or retirement funds, we are uniquely qualified to service your custody needs.

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For more information, visit us at [mtrustcompany.com](http://mtrustcompany.com) or call us at 800.258.7878

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