

Owner-Only 401(k) Plan (also known as Solo-k or Uni-k)



- Businesses that employ only the owner and/or his or her spouse may enjoy additional benefits from establishing a 401(k) plan.
- The deduction limitation of 25% of compensation does not include employee elective deferrals.
- An owner can make a contribution of up to 25% of his/her compensation in addition to an employee elective deferral (maximum of \$15,500 in 2008).
- The total allocation for any one individual cannot exceed 100% of the individual's compensation (maximum of \$46,000 in 2008, or \$51,000 for "catch-up" eligible participants).
- Participants who will become age 50 (or older) during a calendar year can make a catch-up contribution. For 2008, the limit for catch-up contributions is \$5,000.

Owner-only	*Compensation	SEP	401(k) deferral	Profit Sharing	Plan Total	Catch-up deferral	Total with Catch-up
Owner	\$122,000	\$30,500	\$15,500	\$30,500	\$46,000	\$5,000	\$51,000

Owner-only	*Compensation	SEP	401(k) deferral	Profit Sharing	Plan Total	Catch-up deferral	Total with Catch-up
Owner	\$40,000	\$10,000	\$15,500	\$10,000	\$25,500	\$5,000	\$30,500

Owner-only and spouse	*Compensation	SEP	401(k) deferral	Profit Sharing	Plan Total	Catch-up deferral	Total with Catch-up
Owner	\$187,800	\$46,000	\$15,500	\$30,500	\$46,000	\$5,000	\$51,000
Spouse	\$56,200	\$14,050	\$15,500	\$30,500	\$46,000	\$5,000	\$51,000
	\$244,000	\$60,050	\$31,000	\$61,000	\$92,000	\$10,000	\$102,000

*Compensation does not include K-1 dividend income from a Sub-S corporation.

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