



QUICK GUIDE TO: INDIVIDUAL 401(K)S

CONTRIBUTIONS & MATCHING

- Contributions up to **\$19,500** for 2020 and 2021.
- Catch-Up contributions up to **\$6,500** for both 2020 and 2021.
- Additionally, businesses can contribute up to 25% of compensation not to exceed a total of **\$57,000** for 2020 and **\$58,000** in 2021. (Not including the catch-up contributions above)

TAX ADVANTAGES

- Contributions from the business are deductible on the employer's federal income tax return.
- Elective contributions and investment gains might enjoy tax deferral until distribution.
- Offers both pre-tax & Roth options.

FILING & COMPLIANCE

- May requires annual 5500 filing.
- Discrimination testing is not required due to the absence of employees.