ASCENSUS

# Employer Direct Document Service

# The Ascensus Solo Defined Benefit Plan

## Advisor overview

### A powerful retirement plan solution allowing higher annual contributions.

The Ascensus solo defined benefit (Solo DB) plan is an IRS-approved qualified retirement plan designed for independent professionals, small business owners, and individuals with self-employment income. A Solo DB plan may allow significantly higher annual contributions than savings through a 401(k), SEP, or SIMPLE IRA plan—often $100,000 or more—depending on age, income, and plan design. Tax deductible contributions may be invested in mutual funds, bonds, equities, annuities, or other marketable securities that you and your clients select.

### Key benefits for financial advisors

- Generate a potentially large, steady stream of annual investment dollars
- Expand your product offering with a high-contribution plan option
- Create greater cross-selling opportunities
- Offer plan investment alternatives to include equities, mutual funds, fixed income, or other marketable securities
- Strengthen long-term client relationships
- Collaborate with an actuary or benefits professional of your choice to provide plan administration and required government reporting

### Key benefits for your clients

- Maximize retirement savings with the highest allowable annual contributions—potentially exceeding $100,000
- Increase annual contributions by pairing a Solo DB plan with an Individual 401(k)
- Benefit from tax-deferred growth on invested contributions
- Keep costs low with affordable plan establishment and annual document maintenance fees
- May reduce taxable income, and potentially allow eligible business owners to take up to a 20% pass-through deduction*

### A Solo DB plan may be ideal for:

- Independent contractors, consultants, professionals, and sales representatives
- Owner-only, owner + spouse, or family businesses
- Self-employed spouses of high-income earners
- Individuals who also receive self-employment income from a side business
- Generally, clients who are 35 years of age or older
- 401(k), SEP, or SIMPLE IRA plan clients who want to increase their annual contributions to a retirement plan

*Clients should consult their tax professional

## Establishment and funding

- Solo DB plans should be established by December 31, and at the latest by the business's tax filing deadline (plus extensions) for the plan year
- Annual contributions are determined by the plan's actuary and based on factors including the participant's age, earned income, investment returns, and years of service
- Contributions must be made each year and deposited by the business owner's tax return due date (plus extensions), and no later than 8½ months after the fiscal year end

## Typical occupations

- Attorneys
- Construction trades
- Consultants
- Dentists
- Engineers
- Entertainers
- Farmers
- Financial advisors
- Independent corporate directors
- Internet entrepreneurs
- Physicians
- Real estate agents
- Sales representatives
- Software developers
- Writers

**Get expert answers to your Solo DB plan establishment questions or establish your plans now.**

Access our website by clicking the link below or scanning the QR code.

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