

## Options When You Are Self-Employed and Have No Employees

Retirement Plan	Maximum Employee Contribution	Maximum Employer Contribution
<b>SEP-IRA</b>	N/A	Up to 20% of your net self-employment income <sup>1</sup> but not to exceed \$66,000. <sup>2</sup>
<b>401(k)</b>	\$22,500 (\$30,000 if 50 or older) <sup>3</sup>	20% of your net self-employment income, <sup>4</sup> but not more than \$66,000 considering both your employee and employer contributions (\$73,500 if 50 or older) <sup>5</sup>
<b>SIMPLE IRA</b>	\$15,500 (\$19,000 if 50 or older)	Plus either: <ol style="list-style-type: none"> <li>1. A matching contribution equal to the lesser of 3 percent of your defined self-employment income or the amount of your elective deferral;<sup>6</sup> or</li> <li>2. A nonelective contribution of 2 percent of your defined self-employment income limited to no more than \$330,000.<sup>7</sup></li> </ol>
<b>Traditional IRA</b>	\$6,500 (\$7,500 if 50 or older) <sup>8</sup>	N/A
<b>Roth IRA</b>	\$6,500 (\$7,500 if 50 or older) <sup>9</sup>	N/A
<b>Defined Benefit Plan</b>		Actuarially determined amount needed to fund annual retirement benefit of up to \$265,000 <sup>10</sup>

<sup>1</sup> For the self-employed the 20 percent is an approximate percent. See IRC Pub. 560, Retirement Plans for Small Business (2021), dated Mar. 30, 2022. Also, see IRC Sections 401(c)(2); 402(h)(2); 404(h); 408(k)(7)(B); 414(s); 415(c)(1)(A); 415(c)(3)(B).

<sup>2</sup> Notice 2022-55.

<sup>3</sup> IRC Section 401(g); IR 2022-188.

<sup>4</sup> The 20 percent is an approximate amount; IRC Section 402(i).

<sup>5</sup> Notice 2022-55.

<sup>6</sup> IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I).

<sup>7</sup> IRC Sections 408(p)(2)(B); 401(a)(17); Notice 2022-55.

<sup>8</sup> IR 2022-188.

<sup>9</sup> Ibid.

<sup>10</sup> IRC Sections 404(a)(1); 404(a)(8); 415(b); IRC Section 415(b)(1)(A); Notice 2022-55.

**Sole Proprietorship  
& Partnership**

## Options When You Are the Only Employee

Retirement Plan	Maximum Employee Contribution	Maximum Employer Contribution
<b>SEP-IRA</b>	N/A	25% of your wages, <sup>11</sup> but not more than \$66,000 <sup>12</sup>
<b>401(k)</b>	\$22,500 (\$30,000 if 50 or older) <sup>13</sup>	25% of your wages, <sup>14</sup> but not more than \$66,000 considering both your employee and corporate (employer) contributions (\$73,500 if 50 or older) <sup>15</sup>
<b>SIMPLE IRA</b>	\$15,500 (\$19,000 if 50 or older)	Plus either: <ol style="list-style-type: none"> <li>1. A matching contribution of 3 percent<sup>16</sup> of your employee deferral up to 3 percent; or</li> <li>2. A nonelective contribution of 2 percent of compensation<sup>17</sup> to all eligible employees (you)<sup>18</sup> whether or not you make a salary deferral.</li> </ol>
<b>Traditional IRA</b>	\$6,500 (\$7,500 if 50 or older) <sup>19</sup>	N/A
<b>Roth IRA</b>	\$6,500 (\$7,500 if 50 or older) <sup>20</sup>	N/A
<b>Defined Benefit Plan</b>		Actuarially determined amount needed to fund annual retirement benefit of up to \$265,000 <sup>21</sup>

<sup>11</sup> IRC Section 404(h)(1)(C).

<sup>12</sup> Notice 2022-55.

<sup>13</sup> IRC Section 401(g); IR 2022-188.

<sup>14</sup> IRC Section 402(i).

<sup>15</sup> Notice 2022-55.

<sup>16</sup> IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I)

<sup>17</sup> IRC Section 408(p)(2)(B)

<sup>18</sup> IRC Section 408(p)(4)

<sup>19</sup> IR 2022-188.

<sup>20</sup> Ibid.

<sup>21</sup> IRC Sections 404(a)(1); 404(a)(8); 415(b); IRC Section 415(b)(1)(A); Notice 2022-55.

**S Corporation  
&  
C Corporation**