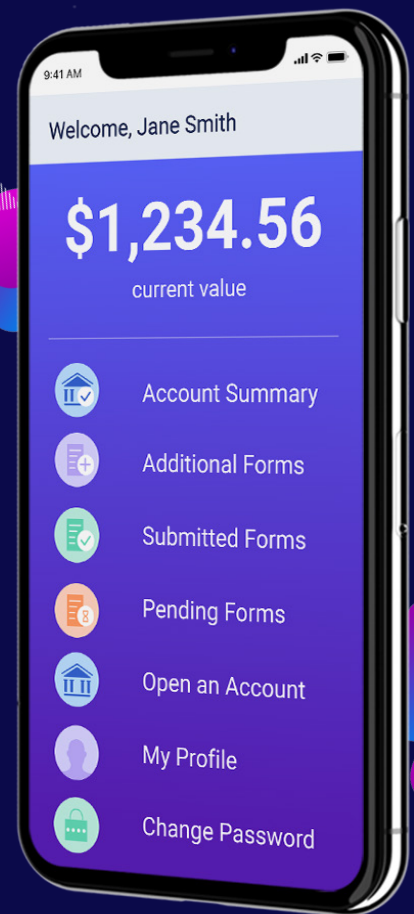


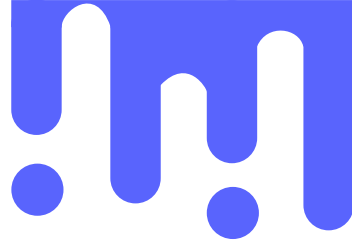


# Solo 401(k)

the best  
plan for the  
self-employed



# In this info kit...



## The Solo 401(k)

1. Introduction to the Solo 401(k)
2. How You Can Benefit
3. Investments You Can Make
4. Solo 401(k) vs. Roth Solo 401 (K)
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# Introduction to the **Solo 401(k)**

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As a self-employed investor, you can use your 401(k) funds to invest in asset classes outside of stocks, bonds, and other traditional assets. Also known as the individual 401(k), the Solo 401(k) has the same rules as a company 401(k) but is designed for one individual. This plan lets you make higher maximum contributions and provides a loan feature that's tax and penalty free, and that you can use at any time and for any purpose. It also offers you more tax advantages than an employer-sponsored 401(k) and is not subject to complex ERISA rules.

To be eligible, you must be selfemployed as a sole proprietorship, a single-member LLC, partnership, C corp., or S corp.; you also can't have any full-time employees, except for a spouse or business partner.

**Self-employed individuals can make investments in real estate, precious metals, cryptocurrencies and much more.**

A Solo 401(k) is the **best solution** for self-employed investors who want:



Want more **control** over their retirement funds



To **diversify** their retirement portfolio



To invest in **hard assets** like real estate to hedge against inflation



The **option** to invest in traditional and alternative assets



# How you can benefit

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**There are 4 primary advantages of self-directing your retirement funds.**

## Diversification

Over 90% of retirement assets go toward the financial market. If the stock market takes a dive, investors can lose quite a bit of money. When you invest in nontraditional assets, it diversifies your portfolio, which helps protect your assets when the market is down.

## Tax Deferral

With tax deferral, all income, gains and earnings accumulate in your retirement account tax free and grow at a much faster pace than if you held the funds personally. For example, if you put \$100,000 in a Solo 401(k) in 2022, and the account earns \$10,000 in the same year, you won't owe tax on the \$10,000. When it's time to take a distribution from your 401(k), you will likely be at a lower tax bracket. Therefore, you will keep more of what you accumulated over the years.

## Inflation Protection

The increased price of food and energy, along with high federal debt levels and low interest rates can leave Americans worried about inflation. Many investors look for ways to protect their assets. Buying hard assets like precious metals and real estate hedges against inflation, protecting your hard-earned money. Real estate is a great asset class to invest in during inflation because price increases tend to lead to rent increases.

## Security

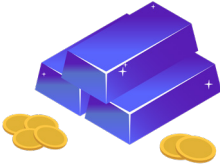
You may realize that several nontraditional investments are also tangible assets. Investing in types of real estate can provide psychological security. During times of financial instability, inflation, or political upheaval, this type of security can be very important to IRA investors.

*Most of the individuals I speak to who are looking at the self-directed IRA want to make alternative asset investments either as a way to diversify their retirement portfolios, make a hedge against inflation, seek higher returns, or gain the ability to invest in something they know, understand, or can touch.*

**Adam Bergman**  
**President of IRA Financial**



# Investments you can make



## Real Estate

- ✓ Residential or commercial
- ✓ Domestic or foreign
- ✓ Raw land
- ✓ Foreclosure properties
- ✓ Mortgage pools
- ✓ Tax liens and tax deeds accumulated over the years

## Precious Metals

- ✓ Gold
- ✓ Silver
- ✓ Platinum
- ✓ Coin issues under the law of any state
- ✓ Gold, silver, platinum or palladium bullion of a certain fineness



## Cryptocurrency

- ✓ No asset valuation fees
- ✓ Digital assets
- ✓ No broker fees
- ✓ Buy, sell, hold on your own

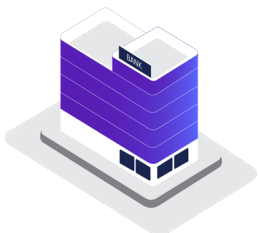
## Entities

- ✓ Private businesses
- ✓ Limited liability companies
- ✓ Limited liability partnerships
- ✓ Private placements
- ✓ Hedge funds
- ✓ Private equity
- ✓ Venture capital



## Traditional Assets

- ✓ Stocks
- ✓ Equities
- ✓ Bonds
- ✓ ETFs (exchange traded funds)



Discover more  
investment opportunities!  
[irafinancialgroup.com](http://irafinancialgroup.com)



# Choose the Solo 401(k) that's **best for you**

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## Solo 401(k)

The Solo 401(k) allows investors to use their retirement funds to invest in alternative and traditional assets. It's like an employer-sponsored 401(k), but with more investment possibilities.

- If you are over 50, you can make higher contributions than individuals under the age of 50.
- You can make two types of contributions. This gives the Solo 401(k) the highest contribution limit of any retirement plan. These are **elective deferral** (contribution you can make as an employee) and **profit sharing** (contribution you can make as an employer).
- Borrow up to \$50,000 or 50% of your account balance to use for any purpose.
- Your spouse can participate in the plan if he/she earns compensation from the business by making separate or equal contributions.

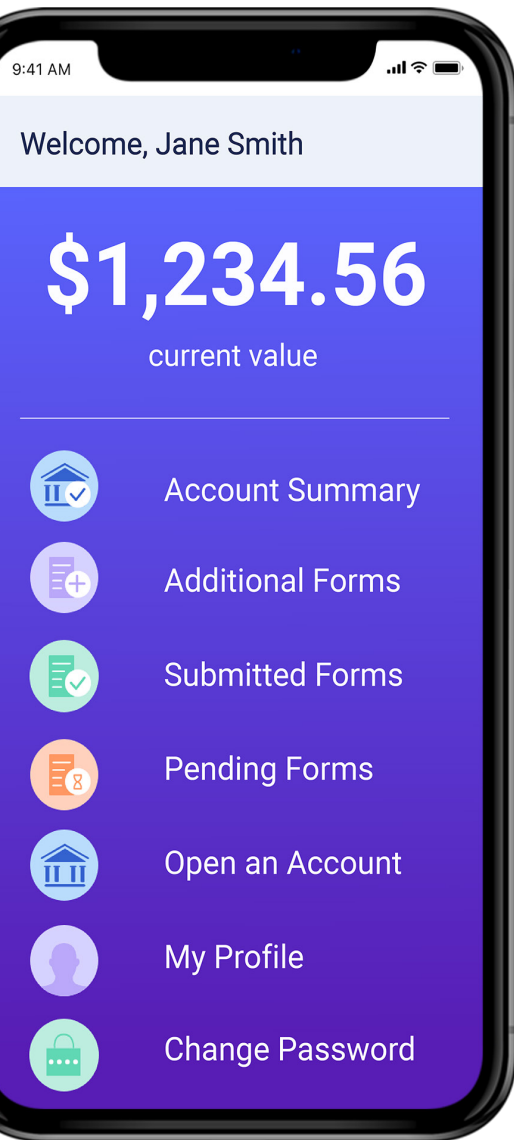
## Roth Solo 401(k)

With a Roth Solo 401(k), you fund your account with after-tax dollars. You don't receive an upfront tax break, but when you take a distribution, all income and gains are tax free. Unlike an IRA, there are no income restrictions for high earners.

- You fund the account with after-tax dollars, therefore, you can make a withdrawal at any time—tax and penalty free.
- There is no required minimum distribution (RMD)—you don't have to make withdrawals at the age of 72.
- Because there is no RMD, your account can continuously grow without interruption—you may then pass the account over to your beneficiaries.
- Distributions are tax free if the account is open for five years and you're at least age 59 ½.

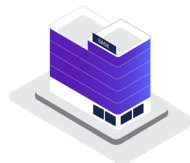
**Connect with us to learn more!**  
**1-800-472-0646**  
**[info@irafinancial.com](mailto:info@irafinancial.com)**

# Do Everything in our App



## 1. Open an account

Sign up in minutes with [our app](#) and open a self-directed account or call us at [800-472-0646](tel:800-472-0646).



## 2. Roll Over Funds

[Transfer or rollover](#) of your retirement funds and assets from your current institution to the trust company.



## 3. Invest

Invest in [alternative assets](#) like real estate, as well as traditional assets like stocks with your IRA.

**At IRA Financial Group, our 401(k) and ERISA specialists will help you set up your Solo 401(k).**

They will complete all necessary 401(k) rollover paperwork and help you transfer your funds to the new custodian. Your funds and assets will be available to you in a matter of days.



# The main advantages

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## The Solo 401(k) the highest max contribution of any retirement plan.

An IRA only allows you to contribute up to \$6,500, or \$7,500 if aged 50 and over. The Solo 401(k)'s main advantage is that you can make **elective deferral** and **profit-sharing** contributions. For 2023, these contributions combined can't exceed \$66,000. These are the maximum contributions, which you are not required to make.

There's an additional \$7,500 catch-up contribution if the participant is 50 and over. Spouses can also contribute to the plan if they earn compensation from the business.

## Elective Deferral & Profit Sharing

As an employee of a self-employed or small business with no full-time employees, other than your spouse or a business partner, you can make **employee contributions** known as the "**elective deferral**".

In 2023, the maximum contribution for the elective deferral is \$22,500 dollar for dollar, or \$30,000 dollar for dollar if aged 50 and older.

The **employer contribution** is known as "**profit sharing**". If you're a single member LLC or sole proprietor, you can contribute 20% of your selfemployment income or schedule C. If you're a C corp., S corp., W-2, or partnership, you can contribute 25% of your compensation.

## Compare to the SEP IRA

The Solo 401(k) lets you reach your maximum savings amount faster than a SEP IRA. The SEP does not have an employee deferral feature, which is what sets the Solo 401(k) apart and provides the highest contributions to self-employed individuals.

## Bypass ERISA

business with employees is subject to a body of laws known as ERISA (Employee Retirement Income Security Act). ERISA includes complex rules, regulations, and procedures that an employer must follow to provide benefits to their employees.

The Solo 401(k) is not subject to the complex rules of ERISA. The reason is simple: there are no employees.



## Borrow Money

According to Internal Revenue Code, you can take out a Solo 401(k) loan at any time, for any purpose. The accumulated balance of the Solo 401(k) will be used as collateral. Participants can borrow up to \$50,000 or 50% of the account value, whichever is less. The loan must be repaid over an amortization period of five years or less, the interest must be set at a reasonable rate (generally interpreted as the Prime interest rate as per Wall Street), and payment frequencies can be no less than quarterly.

Your plan documents must allow for a loan, and the proper loan documents must be prepared and executed. If the payments are made on time, there are no penalties or taxes applied when you take out the loan.

## Leverage Real Estate Investments Tax Free

If you establish your Solo 401(k) with a self-directed facilitation firm like **IRA Financial Trust**, you'll be able to invest in real estate. It's a hard asset, making it a good hedge against inflation, and it helps diversify your retirement investments. When an IRA buys real estate that is leveraged with mortgage financing, it creates Unrelated Debt Financed Income (UDFI).

This is a type of Unrelated Business Taxable Income (UBTI or UBIT), and you must pay taxes. For 2023, the UBTI tax can go as high as 37%.

The Solo 401(k) allows you to use leverage without being subject to UDFI rules and the UBTI tax. This provides you with significant tax advantages compared to using IRA funds to purchase real estate.

## Simple Maintenance

The Solo 401(k) is a very easy plan to operate and administer. There are no annual filing requirements unless your plan exceeds \$250,000 in assets. In that case, you will need to file a short information return (Form 5500-EZ).

Beyond this reporting requirement, all records, receipts, statements and other documents relating to the Solo 401(k) should be on file.

At IRA Financial Group, our tax and ERISA specialists will assist you in updating plan documents as required by law. We offer free consultations, preparation of IRS form 5500-EZ, and help you file IRS form 1099-R.

**Give us a call!**

**1-800-472-0646**



# Stay IRS compliant

## Prohibited Transactions

As new investment options emerge (e.g., cryptocurrencies), the IRS must update the tax code. As a result, the IRS doesn't tell investors what investments are allowed, only what investments are prohibited.

There are two types of investments you can't make with a Solo 401(k): **collectibles and transactions listed under IRC 4975.**

Collectibles include: **works of art, baseball cards, jewelry, stamps, gems, certain coins.**

The IRS allows a 401(k) to own certain precious metals and gold coins:

- American Gold Eagle coins or coins that are least 99.5% pure
- One-ounce silver coins minted by the Treasury
- Coins issued under the laws of any state
- Platinum coins described in 31 United State Code Service (USCS) 5112(k)
- Gold, silver, platinum or palladium bullion of a certain fineness and that is in physical possession of a financial institution.

**Note:** All metals and coins approved by the IRS must be held at a depository.

## Direct & Indirect Prohibited Transactions

Prohibited transactions can be better understood by dividing them into three categories:

**Direct:** involves the direct (sometimes indirect) sale, exchange, leasing or property, lending of money, extension of credit, the furnishing of services, or the transfer of the income or assets of a 401(k) plan to a disqualified person [e.g., a father (disqualified person) sells an interest in a piece of property owned by his 401(k) plan to his son (disqualified person)].

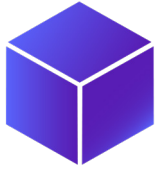
**Self-Dealing:** involves a disqualified person dealing with the income or asset of the 401(k) for their own interest (e.g., woman who is a real estate agent uses her 401(k) funds to buy a home and earns a commission from the sale).

**Conflict of Interest:** involves a disqualified person dealing with the income or asset of the 401(k) for their own account (e.g., a man uses his 401(k) funds to lend money to a business he works for to secure a promotion).

## Disqualified Persons

The IRS prevents certain transactions between the Solo 401(k) plan and a disqualified person. Disqualified persons generally include:

**you (Solo 401(k) holder), your ancestors and lineal descendants, entities of which a disqualified person owns 50%.**



## Experience

Our company has over a decade of experience helping more than 23,000 clients in all 50 states invest over 4.6 billion in alternative asset investments.



## Resources

Founder Adam Bergman is the nation's leading voice of self-directed retirement accounts. He has authored 8 books, including the first book on cryptocurrency investments with a Self-Directed IRA or 401(k). As a client, you will receive all 8 books and a spot for his exclusive live webinars.



## Assurance

When you establish an account, your 401(k) specialist will help you complete all necessary documents, agreements, as well as provide free and unlimited consultations.



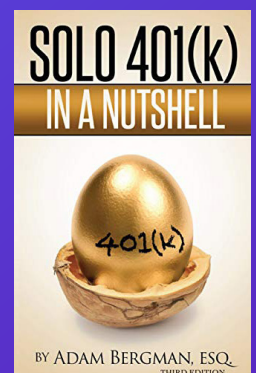
## IRA Financial App

Use the free IRA Financial App to set up and maintain your account. Everything is done on a secure, encrypted platform. Self-directing has never been easier.

# The IRA Financial Difference

IRA Financial Group was created by a former tax attorney to help investors take control of their retirement funds. We work to educate our clients about the tax-free investments they can make with their Solo 401(k).

## Our Books





# Testimonials

“My wife and I have decided to take control of our own IRAs. Using IRA Financial Group has been very simple. Our account manager is very accessible and responsive. The service received compared to the price paid is very good.”

**—William Davis, Oregon—**

“Thank you so much! You and your team have made this a wonderful experience for us. We are very grateful for your step by step help. We have already shared our testimony with our family and friends! I really appreciate all the links you shared and the reminders along the way. I am excited to start earning income from the rental and I know that the income will provide us with additional security in an uncertain economy! Thanks again for all your help, we couldn't have done this without you!”

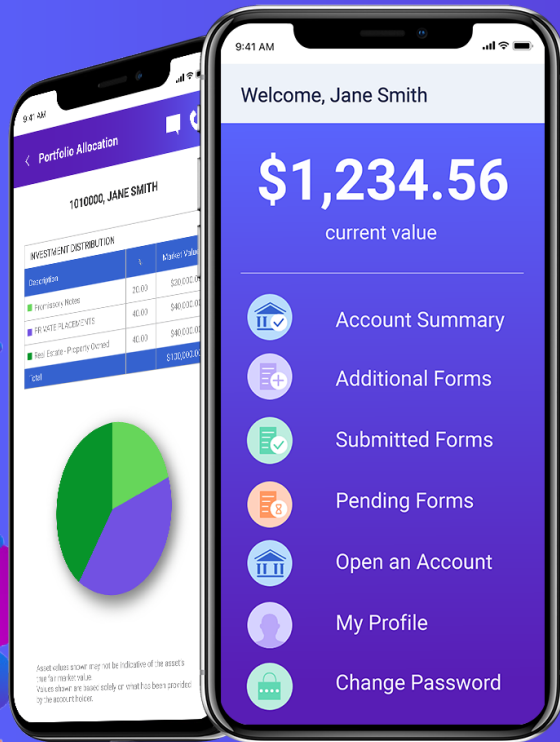
**—The Padillas, California—**

“My experience with IRA Financial Group has been excellent. From the start they were prompt to answer calls and emails, answer questions and follow through at every step of the setup of my account. They are professional, knowledgeable and helpful in all aspects of providing excellent service. I highly recommend IRA Financial Group!”

**—Tina Hanssen, Indiana—**



# Getting started is easy with IRA Financial



To establish a Self-Directed IRA with us, you can use our app, call, or email a specialist.

Our app lets you quickly and easily establish your account, and makes maintenance a breeze.

[Get Started](#)

## Contact Us

**Hours of Operation:**  
9:00am—7:00pm EDT  
Monday—Friday

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