

Options When You Are Self-Employed and Have No Employees

Retirement Plan	Maximum Employee Contribution	Maximum Employer Contribution
SEP-IRA	N/A	Up to 20% of your net self-employment income ¹ but not to exceed \$66,000. ²
401(k)	\$22,500 (\$30,000 if 50 or older) ³	20% of your net self-employment income, ⁴ but not more than \$66,000 considering both your employee and employer contributions (\$73,500 if 50 or older) ⁵
SIMPLE IRA	\$15,500 (\$19,000 if 50 or older)	Plus either: 1. A matching contribution equal to the lesser of 3 percent of your defined self-employment income or the amount of your elective deferral; ⁶ or 2. A nonelective contribution of 2 percent of your defined self-employment income limited to no more than \$330,000. ⁷
Traditional IRA	\$6,500 (\$7,500 if 50 or older) ⁸	N/A
Roth IRA	\$6,500 (\$7,500 if 50 or older) ⁹	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$265,000 ¹⁰

¹ 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).

² Notice 2022-55.

³ IRC Section 401(g); IR 2022-188.

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

⁵ Notice 2022-55.

⁶ IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I).

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

⁸ IR 2022-188.

⁹ Ibid.

¹⁰ 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
SEP-IRA	N/A	25% of your wages, ¹¹ but not more than \$66,000 ¹²
401(k)	\$22,500 (\$30,000 if 50 or older) ¹³	25% of your wages, ¹⁴ but not more than \$66,000 considering both your employee and corporate (employer) contributions (\$73,500 if 50 or older) ¹⁵
SIMPLE IRA	\$15,500 (\$19,000 if 50 or older)	Plus either: 1. A matching contribution of 3 percent ¹⁶ of your employee deferral up to 3 percent; or 2. A nonelective contribution of 2 percent of compensation ¹⁷ to all eligible employees (you) ¹⁸ whether or not you make a salary deferral.
Traditional IRA	\$6,500 (\$7,500 if 50 or older) ¹⁹	N/A
Roth IRA	\$6,500 (\$7,500 if 50 or older) ²⁰	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$265,000 ²¹

¹¹ IRC Section 404(h)(1)(C).

¹² Notice 2022-55.

¹³ IRC Section 401(g); IR 2022-188.

¹⁴ IRC Section 402(i).

¹⁵ Notice 2022-55.

¹⁶ IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I)

¹⁷ IRC Section 408(p)(2)(B)

¹⁸ IRC Section 408(p)(4)

¹⁹ IR 2022-188.

²⁰ Ibid.

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

\$ Corporation & Corporation