

Solo-401K, SEP-IRA, & SIMPLE-IRA Compared

What Have You Contributed in 2021?

Retirement Plans for self-employed 2021	Solo-401K	SEP-IRA	SIMPLE-IRA
Contribution limit—employee	\$19,500	-0-	\$13,500
Catch-up contribution (≥ age 50)	\$6,500	-0-	\$3,000
Contribution limit—employer	25% compensation*	25% compensation*	3% match or 2% nonelective*
Total contribution	\$58,000	\$58,000	\$27,000
Total contribution with catch-up (≥ age 50)	\$64,500	\$58,000	\$30,000
Required compensation for Total contribution*	\$154,000	\$232,000	\$450,000
Roth account	✓	no	no
After-tax contributions	✓	no	no
Employees allowed	no	✓	✓
Loans allowed	✓	no	no
Administrative burden	medium	low	low

*Unless you are an LLC filing as an S-corp, the maximum limit will be much less;
Results the same regardless of age (< or ≥ age 50)