

## CONTRIBUTIONS TO OWNER-ONLY PLANS

### SEP

- Owner contribution up to 25% of W-2 or 20% of net self-employment income (Schedule C)
- 2019 SEP IRA limit is \$56,000
- Maximum compensation (W-2 or Schedule C) used to calculate contribution is \$280,000

### 401(k) Plan

- Owner contribution up to 25% of W-2 or 20% of net self-employment income (Schedule C)
- 2019 401(k) contribution is \$19,000, or \$25,000 for owners age 50 or older.
- 2019 individual limit is the lesser of \$56,000 (\$62,000 for owners age 50 +) or 100% of compensation. This is the total of all contributions to the plan for the current plan year.

### Defined Benefit Plan (DB)

Owner contributions vary depending on age and compensation. An estimate can be obtained by contacting us or referring to our 2019 Defined Benefit Contribution Chart.

### Defined Benefit and 401(k) Combination Design

Owner can contribute the maximum defined benefit contribution plus their maximum 401(k) contribution, along with an additional owner contribution up to 6% of compensation into the 401(k) plan.

### Comparison

Based on an owner age 50 earning the 2019 maximum of \$280,000, here is a comparison of the contributions.

Contribution	SEP	401(k)	DB	DB & 401(k)
Owner	56,000	56,000	225,000	241,800
401(k)	N/A	6,000	N/A	25,000
<b>Total</b>	<b>56,000</b>	<b>62,000</b>	<b>225,000</b>	<b>266,800</b>

This chart is for illustration purposes. NH Hicks should be contacted for exact contributions.