

December 10, 2024

TIME IS OF THE ESSENCE

As 2024 comes to an end, there are new plan opportunities that we don't want you to miss.

Solo 401(k) Plans

If you're an owner-only business taxed as a C or S-Corporation, you only have a few weeks to adopt a solo 401(k) plan for 2024 and make 401(k) deferrals. A business owner with a solo plan to wear two hats -- an employee and an employer. This allows the owner to make elective deferrals as an employee and deductible employer contributions as an employer.

The 2024 401(k) deferral is limited to \$23,000 or \$30,500 for those over age 50 deferring the additional \$7,500 catch-up contribution. These deferrals must be deducted from their 2024 W-2 wages, so time is limited. The employer contribution cannot exceed 25% of compensation but doesn't have to be deposited until the due date of the 2024 tax return plus extension.

Why choose NH Hicks? When we set-up a solo 401(k) plan, we include in the plan document as many extra features as possible, such as Roth 401(k), in-plan Roth conversion, voluntary after-tax participant contributions and participant loans. Get more information here:

- [Solo 401\(k\)](#),
- Solo Defined Benefit Plan, and
- [Plan Comparison of Owner only Plans](#).

If you need to set up a 2024 solo 401(k) before December 31st, contact me as soon as possible at drath@nhhicks.com.

New 401(k) Plan for 2025

If you are a small business owner and want to start a new 401(k) plan for 2025, don't delay. We can help you determine the appropriate 401(k) plan to meet the needs of you, your business, and your employees. Complete our [proposal request form](#) and return it to us so we can illustrate your options. Check out our 401(k) materials including the [2025 Table of Limits](#) and the [General Overview of 401\(k\) Plans](#).

NH Hicks has retirement experts and administrators with decades of experience ready to help at this busy time of the year.