



AN
EQUITY TRUST
COMPANY

401(k) Plans

Self-Direct Your Individual 401(k) Funds



*A Self-Directed, **Individual 401(k) Plan** allows the freedom to choose your investments to earn income for retirement.*

An Individual(k) plan is a cost-effective retirement plan for small business owners with no employees (other than a spouse or partners), or with employees who can meet certain requirements (work less than 1,000 hours or are under 21).

Sole proprietorships, partnerships, limited liability corporations (LLC), or incorporated businesses (including sub-chapter S-Corps) can establish Individual(k) plans.

A self-directed Individual(k) plan allows individuals the freedom to choose their own investments to earn retirement income. The vast amount of alternative assets, which include real estate, notes, and more, give plan owners the flexibility to invest in what they know best to secure their financial futures. You may also invest in your own business using this plan type.

BENEFITS OF AN INDIVIDUAL 401(k) PLAN

Largest Contribution Amounts

Individual(k) plans allow owners to contribute more than any other plan, allowing maximum savings for retirement.

Largest Tax Deductions

Employers can claim up to 25% of the allowed compensation contributions as tax-deductible. Elective deferrals can be excluded from the employee's income for federal income tax purposes. If you are employed and compensated by the business, your spouse may also participate in the plan.

Reduced Business Expenses

Individual(k) plans carry lower administration fees than traditional 401(k) or profit sharing plans.

Roth Option

Plan owners can choose to claim a portion of their contributions as Roth contributions, gaining the potential for tax-free instead of tax-deferred growth provided distributions are taken after the age of 59.5 years of age.

Non-Taxable Loans

You can take a non-taxable loan from the account, provided the funds are repaid within five years and at a reasonable interest rate.

Call today to learn more!

www.midlandtrust.com | 239.333.1032



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ARE YOU ELIGIBLE FOR AN INDIVIDUAL(K)?

If your business is a sole proprietorship, partnership, limited liability corporation (LLC), or incorporated business including a sub-chapter S-Corp, you may establish an Individual(k) plan.

Which Individual(k) Should You Choose?

There are several alternatives, depending on your needs.

1. Traditional Or Full Service Model

- Midland Trust provides the required documents to establish the plan.
- Midland Trust provides the record keeping services on your self-directed investments.

2. Self Service Model

- Midland Trust provides the required documents to establish the plan.
- You perform your own record keeping for investments.

3. Record Keeping Model

- You already have an approved plan document.
- Midland Trust provides the required record keeping on self-directed investments.
- This option is also available to Traditional 401(k), Roth 401(k), profit-sharing plans, and employer stock ownership plans.

Reporting and Disclosure Requirements

No annual reporting is required until your asset(s) exceed \$250,000. When your asset(s) reach this amount, you need to file form 5500-EZ annually.

Deadline to Establish an Individual(k) Plan

This deadline is the last day of the fiscal year.

Consult with an accountant or other financial advisor to ensure you qualify for this plan structure. Consult with Midland Trust to verify the employee exclusion information to avoid increased plan fees and to learn how you can invest in your own business using this plan.

Call today to learn more!

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