



Retirement Plans – 2023 – 1 of 2

SOLE Proprietorship and Partnership

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
401(k)	\$22,500 (\$30,000 if 50 or older)	20% of your net self-employment income, but not more than \$66,000 considering both your employee and employer contributions (\$73,500 if 50 or older)
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; or 2. A nonelective contribution of 2 percent of your defined self-employment income limited to no more than \$330,000.
Traditional IRA	\$6,500 (\$7,500 if 50 or older)	N/A
Roth IRA	\$6,500 (\$7,500 if 50 or older)	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$265,000

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



Retirement Plans – 2023 – 2 of 2

S Corporation and C Corporation

Options When You Are the Only Employee

<u>Retirement Plan</u>	<u>Maximum Employee Contribution</u>	<u>Maximum Employer Contribution</u>
SEP-IRA	N/A	25% of your wages, but not more than \$66,000
401(k)	\$22,500 (\$30,000 if 50 or older)	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)
Simple IRA	\$15,500 (\$19,000 if 50 or older)	Plus, either: 1. A matching contribution of 3 percent 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)	N/A
Roth IRA	\$6,500 (\$7,500 if 50 or older)	N/A
Defined Benefit Plan		Actuarially determined amount needed to fund annual retirement benefit of up to \$265,000

1. IRC Section 404(h)(1)(C).
2. Notice 2022-55.
3. IRC Section 401(g); IR 2022-188.
4. IRC Section 402(i).
5. Notice 2022-55.
6. IRC Sections 408(p)(2)(A)(iii); 408(p)(2)(C)(ii)(I)
7. IRC Section 408(p)(2)(B)
8. IRC Section 408(p)(4)
9. IR 2022-188.
10. Ibid.
11. IRC Sections 404(a)(1); 404(a)(8); 415(b); IRC Section 415(b)(1)(A); Notice 2022-55.