

DIRECTED | IRA

by Directed Trust Company

SELF-DIRECTED IRA VERSUS SOLO 401(K)

Mat Sorensen, CEO & Attorney

Directed IRA

Author, *The Self-Directed IRA Handbook*

Phone: (602) 899-9396

www.directedira.com | www.sdirahandbook.com

Disclaimer

All information and materials are for educational purposes only. All parties are strongly encouraged to consult with their attorneys, accountants, and financial professionals before entering into any type of investment. This presentation does not constitute an attorney-client relationship.

IRS Circular 230 Notice- Any U.S. federal tax advice contained in this presentation is not intended and cannot be used for the purpose of (i) avoiding penalties under the Internal Revenue Code, (ii) promoting, marketing, or recommending to another party any transaction or tax-related matters.

About Mat

- CEO, Directed IRA



- Best-Selling Author
 - ▣ Amazon Best-Seller
 - ▣ Over 30,000 Copies Sold
 - ▣ Used or endorsed by most SDIRA Custodians



- Partner at KKOS Lawyers



- Host of the Self-Directed IRA Summit

self-directed **IRA** summit

Self-Directed IRA

- \$6K contribution
 - ▣ Over 50, \$7k
 - ▣ Most SDIRA are rollovers
- Must have custodian
- Easier
- Cheaper

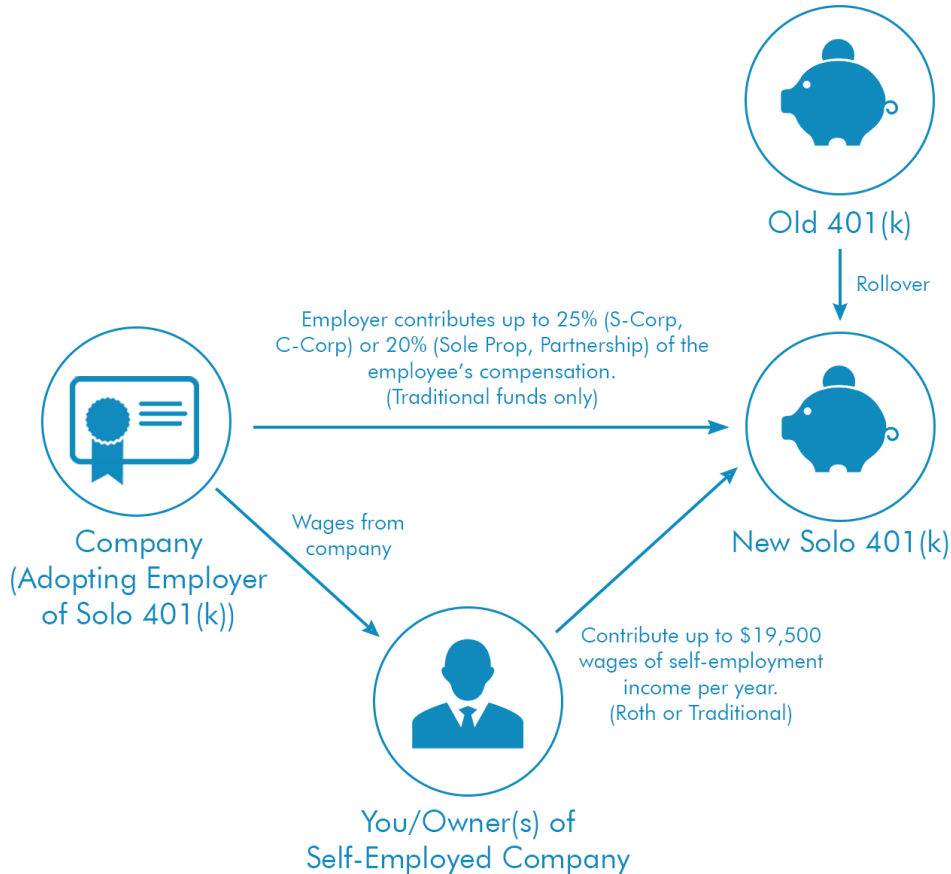


Solo 401(k)

- ❑ Qualified Plan – documents & administration
- ❑ Employee - Roth or pre-tax deferrals
 - ❑ \$19,500 annual limit (2020)
 - ❑ \$ 6,500 annual catch up age 50 and over
- ❑ Employer – all tax-deductible contributions
- ❑ Maximum annual: \$58,000 + \$6,500 catchup
- ❑ Can be self-directed
- ❑ Can Self-trustee and self-administer

- ❑ **Must be self-employed with no employees other than family and business partner(s).**

Solo 401(k)



Solo 401(k) v Self-Directed IRA

	SOLO 401(k)	SELF-DIRECTED IRA
Qualification	Must be self-employed with no Full-Time Employees (besides yourself and a spouse).	Self-Employment not required - must have earned income to contribute.
Contribution Limits	Max Annual Contribution = \$58,000 (2021)	Max Annual Contribution = \$6,000 (\$7,000 if over 50) .
Custodian Requirement	You can be the Trustee and Administrator - No Custodian required but one may be named	You MUST have a 3rd Party Custodian.
Rollover Limitations	Can rollover most retirement accounts except Roth IRA and 401k with a current employer.	Can rollover existing retirement accounts.

Solo 401(k) v Self-Directed IRA

	SOLO 401(k)	SELF-DIRECTED IRA
Loans	Can borrow up to \$50,000.00 from the 401(k) it is called a Participant Loan**.	Cannot borrow from the IRA.
UDFI Tax	Leveraged Real Estate is NOT subject to UDFI.	Leveraged Real Estate IS subject to UDFI Tax.
Consequence of Prohibited Transaction	15% excise tax if prohibited transaction occurs.	Entire IRA is distributed if Prohibited Transaction occurs.

DIRECTED | IRA

by Directed Trust Company

USE “WEBINAR50” TO SAVE \$50 ON A NEW
ACCOUNT (IRA OR SOLO (K) CUSTODIAL) SET-UP
OPEN USING OUR E-SIGN APP
WWW.DIRECTEDIRA.COM

Mat Sorensen, CEO & Attorney

Directed IRA

Author, *The Self-Directed IRA Handbook*

Phone: (602) 899-9396

www.directedira.com | www.sdirahandbook.com