Common Solo(k) Compliance Issues

1. Your plan document has not been updated and is out of compliance.
2. Your plan document allows the participation of employees you didn't think were eligible, or you have not offered the plan to your employees (regardless of whether they are part-time).
3. Your plan document requires a contribution to employees/business partners and you had only been funding a contribution for yourself.
4. You have no W-2 employees but the people who work for you would be considered "employees" under the definition provided by the IRS (including leased employees).
5. You expect your CPA and TPA to work together without your direct involvement regarding your 5500 and contribution calculations.
6. You have no eligible income and have been making contributions. For example, you may be an S-Corp and you don't take W-2 income, but you are making contributions to your retirement plan.
7. Your plan has not filed 5500s, though your plan assets are above the filing threshold ($250,000 as of 12/31/2022).
8. You and your spouse each have Solo(k) plans and did not realize the balances may need to be consolidated for purposes of determining when a filing is required ($250,000 as of 12/31/2022).
9. You have a Solo(k) plan but also own an interest in another business that might constitute a controlled group or an affiliated service group, and you don't realize the ramifications of this situation.
10. You have a Solo(k) plan and your spouse owns another business with employees. The other business may also have a 401(k) plan.
11. You have a Solo(k) plan but also have a SIMPLE IRA plan.
12. You do not wish to provide any information to PBS after initially setting up a plan.
13. You believe questions about your 401(k) plan are best directed to your CPA.
14. You have not kept track of the money sources for your past contributions (Roth, pre-tax deferral, employer contributions).
15. You have part-time employees that have worked 500 hours or more for two years, making them what is known as an eligible long-term part-time employee under the definition provided by the IRS.

I have reviewed this list and will discuss any applicable issues with PBS.

Authorized Signature

Signature Date

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