



BROAD FINANCIAL

Your Guide to Investing with with a Self-Directed Solo 401(k)

Invest, Grow, and Maximize
Your Contributions for a Healthy
and Happy Retirement

2023's #1-Rated
Self-Directed
Solo 401(k)





BROAD FINANCIAL

Table of Contents

Self-Directed Solo 401(k) Basics	3
Ideal Candidates for a Self-Directed Solo 401(k)	4
Self-Directed Solo 401(k) Plans	5
Self-Directed Solo 401(k) Benefits	6
Popular Self-Directed Solo 401(k) Investments	7
How to set up a Self-Directed Solo 401(k)	8
Why Broad Financial?	9
Case Study	10
Frequently Asked Questions	11

Self-Directed Solo 401(k) Basics

What is a Self-Directed Solo 401(k)?

A Self-Directed Solo 401(k) is a powerful retirement plan designed for self-employed individuals. As an account holder, you can invest in virtually any asset on your terms. You'll have a dedicated checkbook that allows you to control both the timing and cost of your transactions.

How does a Self-Directed Solo 401(k) work?

First, Broad Financial will establish a trust for your Solo 401(k). Then, you'll use it to open a checking

account at your preferred bank. From there, you'll be able to invest in various alternative assets. You'll identify an asset, write a check, or send a wire, and the asset will automatically be added to your Solo 401(k).

Why should I consider a Self-Directed Solo 401(k)?

You can't go wrong with a Self-Directed Solo 401(k) if you're self-employed with no full-time employees or even earn some self-employment income. It can give you incredible freedom and control compared to other retirement accounts.



Key Takeaways

- > A Self-Directed Solo 401(k) is a powerful retirement vehicle for self-employed individuals without full-time employees.
- > It allows you the freedom to invest in a variety of alternative assets through a dedicated checkbook account.

Ideal Candidates for a Self-Directed Solo 401(k)

A Self-Directed Solo 401(k) is for individuals with self-employment income. These may be small business owners, sole proprietors, partnerships and LLCs, consultants, freelancers, and entrepreneurs. To qualify for a Self-Directed Solo 401(k), you must meet the following requirements in addition to having self-employment income:

- **No full-time employees:** While you may be a business owner, you can't have full-time employees who work 1,000 hours per year or more.
- **No long-term part-time employees:** If you have an employee who works 500 or more hours per year for three years in a row, they're entitled to be part of your retirement plan.
- **No other businesses with employees:** You can own multiple businesses and still open a Self-Directed Solo 401(k). This will hold true as long as there are no full-time employees at any of your businesses.
- **Both employed and self-employed:** If you're employed at another company and also earn self-employment income, you can still open a Self-Directed Solo 401(k). Note that participating in the company retirement plan will limit how much you can contribute to your Solo 401(k).

Key Takeaways

- A Self-Directed Solo 401(k) is specifically designed for individuals who earn self-employment income.
- To be eligible for this type of account, you can't have any full-time employees.



Self-Directed Solo 401(k) Plans

There are two types of Self-Directed Solo 401(k) accounts you can choose from, including:

Self-Directed Solo 401(k)

- › Allows you to contribute pre-tax dollars and enjoy tax-deferred growth until you begin taking distributions in retirement.

Self-Directed Roth Solo 401(k)

- › You contribute after-tax dollars and watch your investments grow tax-free. You can withdraw your contributions at any time without penalty.

2023 Contribution Limits

Under 50 Contribution Limits

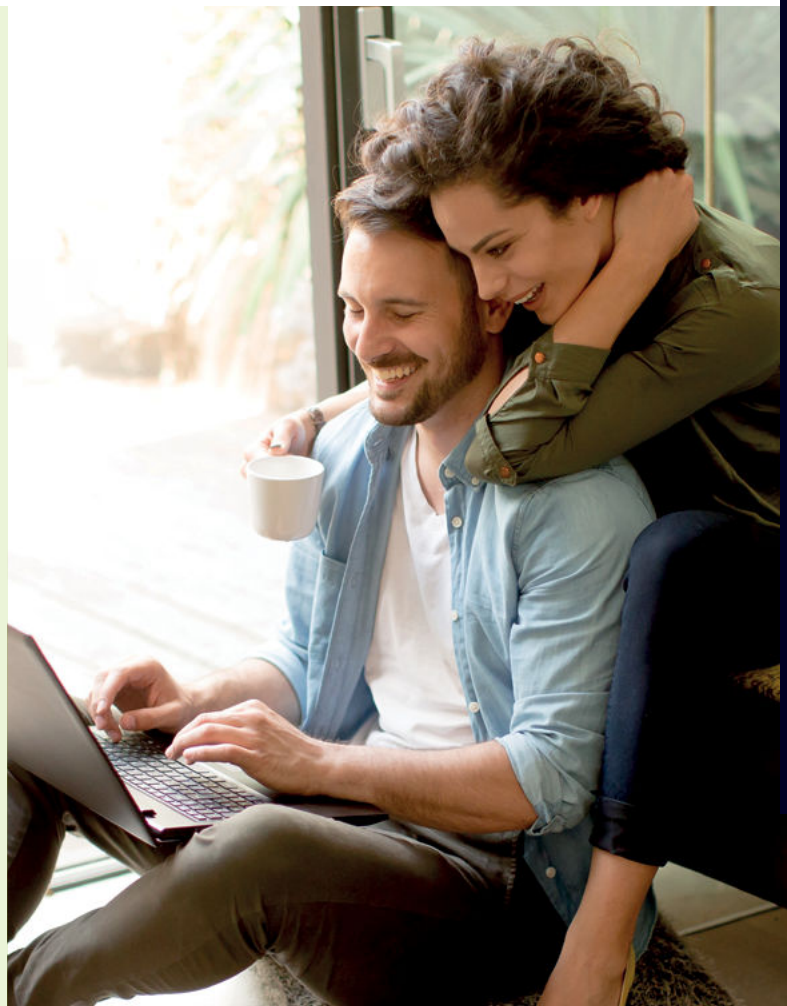
- › You can contribute up to \$66,000 as opposed to the \$6,500 cap of a Traditional IRA.

Over 50 Contribution Limits

- › You can contribute up to \$73,500 (includes the \$7,500 catch-up limit), significantly more than the \$7,500 limit of a Traditional IRA (includes the \$1,000 catch-up limit).

Key Takeaways

- › Broad Financial offers a Self-Directed Solo 401(k) and a Self-Directed Roth Solo 401(k).
- › You can contribute nearly 10x more annually to your Self-Directed Solo 401(k) than Traditional and Roth IRA options.



Self-Directed Solo 401(k) Benefits

Higher Contribution Limits

You can contribute between \$66,000 and \$73,500 per year, depending on your age. This is significantly higher than a Traditional IRA's \$6,500 to \$7,500 cap.

Tax Deductibility

You may claim a tax deduction if you use your self-employment funds to contribute to your Self-Directed Solo 401(k). This can reduce your tax burden and allow you to keep more money in your pocket.

Catch-Up Contributions

If you're over 50, you can contribute up to \$73,500 to your Self-Directed Solo 401(k), as you'll be eligible for a \$7,500 catch-up contribution.

Asset Diversification Opportunities

A Self-Directed Solo 401(k) makes it possible to invest in just about every alternative asset you can think of, like real estate and cryptocurrency, to name a few. You don't have to stick to stocks, bonds, and mutual funds like you would with a Traditional IRA.

Checkbook Control

When your Self-Directed Solo 401(k) has Checkbook Control, you gain complete control of all your investment decisions. You can invest in what you want, when you want, by simply writing a check or sending a wire.

Simplicity & Flexibility

A Self-Directed Solo 401(k) allows you to manage your retirement funds directly. It's a simple, flexible way to save for your retirement.



Popular Self-Directed Solo 401(k) Investments

With a Self-Directed Solo 401(k), you can invest in nearly any alternative asset, including, but not limited to:

Real Estate

1

Popular Investments

Commercial real estate, residential properties, raw land, fix-and-flips, vacation homes, and much more

Potential Benefits

- › High growth potential
- › Steady/passive income source
- › Hedge against inflation

Promissory Notes

2

Popular Investments

Notes secured by real estate, notes secured by non-real estate, and unsecured notes

Potential Benefits

- › Yield predictable, stable returns
- › Note terms are outlined prior to transactions
- › Interest income is generally not subject to capital gains tax

Private Placements

3

Popular Investments

Private equity, private debt, hedge funds, start-ups, REITs, and other companies and stocks not sold publicly

Potential Benefits

- › High growth potential
- › Portfolio diversification
- › Passive income source

Cryptocurrency

4

Popular Investments

Bitcoin, Ethereum, Cardano, Solana, XRP, and many, many more

Potential Benefits

- › Asset diversification
- › Potentially higher return on investment
- › Hedge against inflation

Startups & Crowdfunding

5

Popular Investments

Local businesses, healthcare startups, tech companies, crowdfunding opportunities, and many other ventures

Potential Benefits

- › High growth potential
- › Portfolio diversification
- › Lower cost of entry



How to Set Up a Self-Directed Solo 401(k)

Broad Financial makes it a breeze to set up a Self-Directed Solo 401(k). Here's a brief overview of the process.

Plan Set Up

Contact Broad Financial, and we'll create a customized, IRS-approved Self-Directed Solo 401(k) plan just for you.

Trust Set Up

We'll create a trust and appoint you as the sole trustee of your Self-Directed IRA, so you can execute all of your investment decisions.

Checking Account

Open a checking account at the bank of your choice and use it to place all of your investments for your Self-Directed Solo 401(k).

Rollover /Funding

To fund your Self-Directed Solo 401(k), transfer or rollover funds from an existing retirement account, or make an initial contribution. The choice is yours.

Investing

Any time you want to make an investment, simply write a check or send a wire. You can invest in nearly anything, from real estate to cryptocurrency!



Why **Broad Financial?**

Free Lifetime Support

If you're new to Self-Directed Solo 401(k)'s, rest assured that our team is committed to your success. You can count on our specialists to educate you further on these products and answer any questions you may have. We offer the highest industry-rated lifetime, toll-free customer support.

Industry Expertise

Broad Financial's Self-Directed Solo 401(k) specialists deeply understand all asset classes, from real estate to cryptocurrency. When you want to move forward with your investment, we will find a way to make it work.

No Transaction Fees

Broad Financial's Self-Directed Solo 401(k) features no asset-based or transaction fees. So what does this mean for you? More money in your pocket to invest and save!





Case Study

Self-Employed Individual Aged 50+ Seeking to Catch Up with Higher Contribution Limits

Background

Rose, a 56-year-old woman, had concerns about her retirement savings progress. Feeling as though she was lagging behind, she was determined to find a way to accelerate her retirement funds and secure her financial future.

Problem

Rose's Traditional IRA presented a major obstacle to her financial ambitions. The account capped her annual contributions at a mere \$7,500, including the additional \$1,000 catch-up limit allowed for individuals over 50. This limited her ability to make substantial progress toward her retirement goals.

Solution

Rose's search for a more robust retirement savings solution led her to discover Broad Financial's Self-Directed Solo 401(k). This marked a pivotal moment in her retirement journey to secure her financial future. With the Self-Directed Solo 401(k), Rose could now contribute a remarkable \$73,500 annually, significantly increasing her savings potential.

Results

The Self-Directed Solo 401(k) transformed Rose's retirement strategy. By taking advantage of the higher contribution limits offered in a Self-Directed Solo 401(k), she was able to catch up on her retirement savings, instilling confidence in her financial future. The substantial increase in savings potential provided by her Self-Directed Solo 401(k) allowed Rose to bridge the gap in her retirement planning and set her on a more secure and comfortable retirement path.

Key Takeaways

- Rose is a 56-year-old woman who was looking for a way to catch up on her retirement savings.
- A Self-Directed Solo 401(k) through Broad Financial allowed her to contribute much more than her Traditional IRA.

Frequently Asked Questions

1 How do I set up a Self-Directed Solo 401(k)?

To set up a Self-Directed Solo 401(k), contact Broad Financial. Once you do, we'll create a trust, and you'll open a checking account to place all your investments. Next, you'll transfer funds from your existing retirement account or make an initial contribution.

2 Who is a Self-Directed Solo 401(k) ideal for?

A Self-Directed Solo 401(k) is for self-employed individuals without full-time employees. It may be an option for you, even if you earn some self-employment income and work a traditional job.

3 What are the main benefits of a Self-Directed Solo 401(k)?

With a Self-Directed Solo 401(k), you can invest in various alternative assets without sticking to Wall Street investments. You can also contribute significantly more money than you'd be able to with a Traditional IRA.

4 How does a Self-Directed Solo 401(k) work?

After you open a Self-Directed Solo 401(k), you can invest in virtually any asset you'd like. All you have to do is write a check or send a transfer.

5 What can I invest in with my Self-Directed Solo 401(k)?

When it comes to investment types, the sky's the limit. You can invest in real estate, raw land, cryptocurrency, tax liens, annuities, startups, promissory notes, and more.

6 Can you transfer or rollover funds from an existing IRA or 401(k) into a Self-Directed Solo 401(k)?

Yes. To fund your Self-Directed Solo 401(k), you can transfer funds from one or more of your existing retirement accounts.

7 What are prohibited transactions & disqualified persons?

A prohibited transaction is an improper transaction between an IRA and a disqualified person, which is usually the IRA owner, the IRA owner's lineal descendants (spouse, parents, children, spouses of children), and companies in which the IRA owner or other disqualified persons owns or controls 50% or more.



20,000+
Clients

A+
BBB Rating

\$4B+
Assets Under Custody

2,000+
5-Star Testimonials



★★★★★
4.8 Stars



★★★★★
4.6 Stars



★★★★★
4.5 Stars



★★★★★
4.8 Stars

“Completely BLOWN away by their customer service. Through the setup process and implementation, they’ve been amazing! Responsive, and informative, I could not recommend Broad Financial more highly.”

Sean D. | 5-Stars | Google ★★★★★

“I’ve been a long-time customer of Broad Financial and have enjoyed working with them. I feel confident that our plan is up to date and compliant. Their customer service is friendly and always responsive!”

Earl C. | 5-Stars | Google ★★★★★

“I opened with Broad Financial years ago, and after talking to other investors, they’re sorry they didn’t. They make things so simple and are always there to answer my questions. I cannot recommend them enough!”

Shawn Y.. | 5-Stars | Google ★★★★★

Schedule a Free Consultation

\$100 Off
Promo Code



BF

BROAD FINANCIAL

CONTACT US

One Paragon Drive
Suite 270
Montvale, NJ 07645

Phone: (833) 329-1852
Mondays – Thursdays: 8:00 am – 6:00 pm EST
Fridays – 10:00 am – 4:00 pm EST

