



MySolo401kFinancial

Grow. Control. Direct.



"HOW TO" DESIGNATE A BENEFICIARY FOR YOUR SOLO 401K

Open a Solo 401k

➤ **Qualify:**

- Self-employed with no full-time w-2 employees

➤ **Self-directed Solo 401k Provider:**

- Contributions
 - Pre-tax, Roth, Mega Backdoor Roth
- 401k Loans up to \$50k
- Alternative Investments
 - Real Estate
 - Cryptocurrency

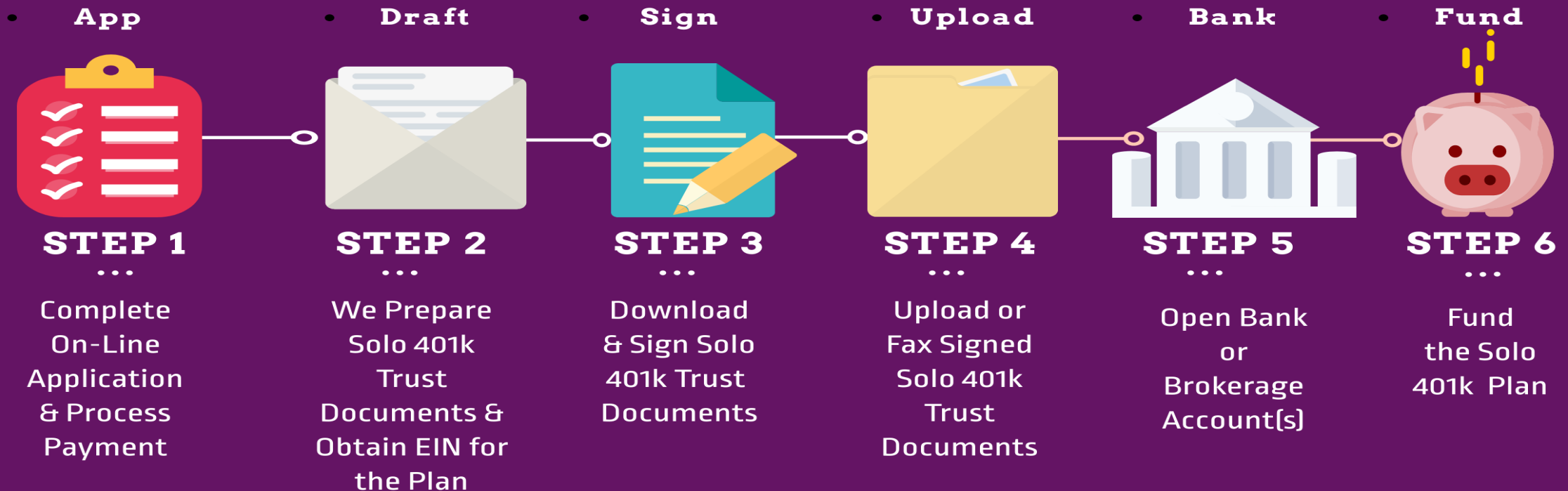


Solo 401(k)
Provider

THE SOLO 401K ESTABLISHMENT PROCESS

The Solo 401(k) Opening Process

A self-directed solo 401k with checkbook control allows for alternative investments, traditional investments, participant loans, pretax, Roth and voluntary after-tax contributions.



What happens to my Solo 401k when I die?

- ▶ Upon your death, the distribution of your Solo 401k assets is determined by the how you completed the Beneficiary Election Form.
- ▶ If you do not complete a beneficiary election form the assets are distributed to (i) your spouse, (i) if n surviving spouse, your children, and (iii) if n surviving children, your estate.
 - ❖ **Not governed by your will or living trust**
 - ❖ **Not changed by prenuptial agreement**



Completing the Beneficiary Election Form

► Beneficiary Election Form

1. Identify yourself
 - Each participant completes a separate form
2. Identify the Primary Beneficiary
 - May be more than one (must total 100%)
3. Identify the Contingent Beneficiary
 - May be more than one (must total 100%)
4. Participant Signs the form
 - ❖ Spousal Consent & Notary is **only required** if (i) the Participant is Married and (ii) someone other than the spouse is named as the sole primary beneficiary



Does the Beneficiary Election Form Need to be Notarized?

- ▶ The Spousal Consent & Notary is **only required** if:
 1. The Participant is Married and
 2. The Participants names someone other than the spouse as the sole primary beneficiary.



Can I name my Living Trust as the beneficiary?

- ▶ Yes - it is acceptable to name your living trust/family trust as the primary or contingent beneficiary of your Solo 401k.
 - ▶ Confirm with your estate trust advisor that the trust can be listed and how to list the trust.
 - ▶ Spousal consent & Notary of the beneficiary election form is required if the Participant is married, and the trust is named as the primary beneficiary.
 - ▶ Upon transfer of the assets to the living trust, the distribution will then be governed by the terms of the trust.



Storing the Beneficiary Election Form

- ▶ Please be sure to safeguard a copy with your other estate documents.
 - ❖ Provide a copy to your estate planning advisor
 - ❖ Provide us a copy to us for our records.



When to update or change the beneficiary election?

- ▶ You may wish to update/change your beneficiary election upon the following “life events”:
 - Divorce
 - Marriage
 - Children
 - Death of Beneficiary
 - Establishment of Living/Family Trust
- ▶ Replace any prior copies of the beneficiary election form in your records and the records of your estate planning advisor(s).



Inherited 401k Accounts: What happens next?

- ▶ If your spouse inherits your Solo 401k your spouse can:
 - Transfer to his/her own Solo 401k (if self-employed) or another qualified plan;
 - Transfer to his/her own IRA;
 - Transfer to his/her own beneficiary IRA; OR
 - Take a full taxable distribution.
- ▶ If a non-spouse inherits your Solo 401k your spouse can:
 - Transfer to his/her own beneficiary IRA and must take taxable distributions (generally within 10 years); OR
 - Take an immediate full taxable distribution.
- ❖ ***No Indirect Rollovers or Transfers to an IRA/qualified plan***



Learn More!



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The one-participant 401(k) plan isn't a new type of 401(k) plan. It's a traditional 401(k) plan covering a business owner with no employees, or that person and his or her spouse. These plans have the same rules and requirements as any other 401(k) plan.

– The IRS: <https://www.irs.gov/retirement-plans/one-participant-401k-plans>

1-800-489-7571

<https://www.mysolo401k.net/>



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► Contact us:

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