

Midland 401(k)

HIGHER CONTRIBUTIONS. ALTERNATIVE INVESTMENT OPTIONS



MIDLAND 401(K)

This plan is well suited for businesses that either do not employ any employees or employ certain employees that may be excluded from coverage. An Individual(k) is perfect for a sole proprietor, consultant, or independent contractor.

Are you Eligible?

The deadline to open a 401(k) and to contribute for 2018 is December 31st, 2018. To be eligible to benefit from the individual(k) plan, investors must meet only two requirements.

Self-Employed



You are self-employed and expect to both generate income from your business and make contributions to this Individual 401(k) plan. Your business must be a sole proprietorship, partnership or corporation.

No Employees



Your business does not have employees. The business owners or partners are considered "owner employees" rather than just "employees." *Certain employees are excluded from coverage:* Employees under 21, Employees that work less than 1000 hours annually, union employees, non-resident alien employees

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Serving clients nationwide
with offices in
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(239) 333-1032

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What are the Benefits?

401(k)'s have high contribution limits. The 2018 maximum contribution limit is \$55,000.



Allows for tax-free investments. Investments include: real estate, notes, LLCs, futures forex, precious metals, crowdfunding, private equity, cryptocurrency and more.

Personally borrow from your 401(k) up to the lesser of \$50,000 or 50% of the account value.



An individual(k) doesn't require the participant to hire a bank or trust company to serve as trustee. This allows the participant to act as the trustee. This means that all assets are under the sole authority of the Individual(k) which eliminates the expense and delay associated with an IRA custodian.

There are no annual filing requirement unless your individual(k) exceeds \$250,000 in assets, in which you must file a short information return with the IRS.



An Individual(k) plan is exempt from Unrelated Debt Financing Income pursuant to IRS code section 514(c)(9). For example, when an IRA purchases real estate that is leveraged with mortgage financing, it produces UDFI on which taxes must be paid.

Advantages of a Individual(k) Versus SEP IRA:

- 1) You can loan yourself up to \$50,000 from an individual(k).
- 2) Compared to a SEP IRA, you can contribute more to an individual(k) on less income.
- 3) You can administer and self-trustee your individual(k).
- 4) With an individual(k), there's no UDFI tax on leveraged real estate.

To Get Started, Contact:

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