EDUCATIONAL PLANNING GUIDE

The Owner(k) Planning Checklist

A business-owner guide to coordinating retirement plans, compensation, cash flow, taxes, and long-term goals.

One decision changes the next

PlannedWell helps clients and their professionals coordinate tax decisions with healthcare, retirement income, business, estate, and family priorities.

PLANNEDWELL

Tax Advisors

Tax preparation and proactive planning aligned with your broader financial life.

OWNER-FOCUSED PLANNING

The business and the owner's tax life are one planning system.

Business owners often make tax decisions through payroll, retirement plans, equipment, benefits, real estate, estimated payments, and distributions. Looking at each choice separately can produce a collection of technically acceptable decisions that do not support the owner's actual goals.

We use Owner(k) as plain-language shorthand for owner-focused retirement-plan planning. An owner-only or one-participant 401(k) is one possible plan type, not a separate category of 401(k). The right design depends on employees, entity structure, compensation, cash flow, age, goals, and administrative capacity.

Start with the business, not the contribution limit

Before choosing a plan, clarify who works in the business, who may become eligible, how compensation is paid, how stable profits are, and what the owner wants the plan to accomplish.

Owner(k) questions

Eligibility Does the business have employees other than the owner and spouse? Related businesses and common ownership may also matter.	**Contribution roles** In a one-participant 401(k), the owner may have an employee contribution role and an employer contribution role, subject to current limits and plan rules.
Compensation Entity type and compensation affect contribution calculations. Payroll and tax projections need to use the same assumptions.	**Cash flow** A tax deduction is not a substitute for working capital. Decide what the business can contribute without weakening operations or reserves.
Administration Plan documents, deposits, reporting, amendments, and eventual termination require attention. Filing requirements may arise as plan assets grow.	**Alternatives** Compare the owner-only 401(k) with SEP, SIMPLE, profit-sharing, cash-balance, and other possible arrangements when appropriate.

YEAR-ROUND DECISION MAP

Eight conversations every profitable owner should schedule

1. Entity and ownership: confirm the legal, tax, and operating structure still fits.
2. Compensation: coordinate wages, distributions, guaranteed payments, benefits, and retirement contributions.
3. Retirement plan: review eligibility, plan design, contribution objectives, deadlines, and administration.
4. Estimated taxes: connect business results, personal income, safe-harbor planning, and cash reserves.
5. Spending and investment: separate operational needs from tax-motivated purchases and document business purpose.
6. Benefits and healthcare: evaluate owner and employee coverage, HSA eligibility, and other benefits with the tax plan.
7. Real estate and related entities: review rent, debt, improvements, ownership, and transaction documentation.
8. Succession and sale: make current tax choices support transferability, clean records, valuation, and the owner's eventual exit.

The annual plan is not a December meeting

Retirement-plan setup, payroll changes, equipment decisions, elections, and transactions can have different deadlines. Build a calendar early enough to preserve choices.

Decisions that need coordination

- Owner compensation and payroll frequency
- Distributions, draws, and estimated payments
- Retirement-plan contributions and deposit timing
- Hiring and employee eligibility
- Equipment, vehicles, improvements, and financing
- Health coverage and HSA eligibility
- Related-party rent, loans, reimbursements, and accountable plans
- State taxes, multistate activity, and pass-through entity elections where available
- Buy-sell terms, succession, estate planning, and a future transaction

PLANNING WORKSHEET

Information to gather before the owner meeting

Business performance

- Year-to-date profit-and-loss statement and balance sheet
- Current-year forecast and next-year budget
- Accounts receivable, debt, major purchases, and cash reserves
- Payroll reports, owner compensation, distributions, and benefits

People and plans

- Employee census, ownership, related entities, and family members working in the business
- Current retirement-plan documents, recent statements, and administrator contact
- Health, HSA, insurance, and other benefit information
- Expected hiring, departures, ownership changes, or acquisitions

Owner goals

- Personal cash needs and estimated tax payments
- Retirement savings target and investment-account mix
- Real estate, succession, family employment, and charitable plans
- Expected sale, transfer, wind-down, or reduced work schedule

The output

Ask for a written calendar identifying the decision, responsible professional, required information, deadline, cash effect, and tax return or financial-plan assumption affected.

Questions to ask before adopting or changing a plan

- Who must be covered now, and who could become eligible next year?
- How much contribution flexibility is needed, and how do entity type and compensation affect the calculation?
- Which deadlines and administrative duties apply, and how does the plan support the owner's retirement and exit objectives?

OFFICIAL REFERENCES

Use these official sources for current rules, deadlines, limits, and enrollment details.

- IRS: One-participant 401(k) plans
  https://www.irs.gov/retirement-plans/one-participant-401k-plans
- IRS: Retirement plans for self-employed people
  https://www.irs.gov/retirement-plans/retirement-plans-for-self-employed-people
- IRS Publication 560: Retirement plans for small business
  https://www.irs.gov/publications/p560
- IRS: Operating a 401(k) plan
  https://www.irs.gov/retirement-plans/operating-a-401k-plan
- IRS Publication 969: HSAs and other tax-favored health plans
  https://www.irs.gov/publications/p969

Important notice

This guide is for general educational purposes only. It is not individualized tax, legal, investment, insurance, or medical advice and does not create a professional relationship. Rules, thresholds, plan terms, and individual circumstances change. Consult the appropriate qualified professionals before acting.