Can I Have a 401(k) and a Solo 401(k)?

Got a 401(k) from your employer? You can save even more with a Solo 401(k). Learn how to accelerate your savings with a Solo 401(k) on top of a regular 401(k) plan.

The Short Answer: Yes!

You can absolutely have both a regular 401(k) from your employer and a Solo 401(k) for your side business or self-employment income. This powerful combination allows you to supercharge your retirement savings beyond what most people think is possible.

Many people with side hustles or consulting work don't realize they can open a Solo 401(k) in addition to their employer's 401(k). This strategy can dramatically accelerate your path to retirement.

Understanding the Rules

While you can have both types of 401(k) accounts, there are two critical contribution limits to understand — one that is **shared** across plans, and one that is **calculated separately** for each plan.

Employee Deferral Limit

Shared across all 401(k) plans. For 2026: **$24,500** (or $32,500 if age 50+, $35,750 if age 60–63).

Employer Contribution Limit

Calculated separately per plan. The Section 415 combined limit is **$72,000** per plan for 2026.

Even if you max out employee deferrals in your employer's 401(k), you can still make employer profit-sharing contributions to your Solo 401(k) based on your self-employment income.

Real-World Example: Sarah's Strategy

Let's look at Sarah, who works full-time and has a consulting side business. Her situation illustrates exactly how the dual 401(k) strategy works in practice.

$150K

W-2 Income

Full-time employer salary

$50K

Self-Employment

Consulting side business income

$34,500

Total Saved

Combined retirement contributions

Sarah's Contribution Breakdown

Plan	Contribution Type	Amount
Employer 401(k)	Employee Deferrals (maxed out)	$24,500
Solo 401(k)	Employer Profit-Sharing (20% of $50K SE income)	$10,000
Total	**Combined Retirement Savings**	**$34,500**

Sarah saves **$10,000 more** than the $24,500 limit most people think applies — simply by leveraging her self-employment income with a Solo 401(k).

Key Benefits of Having Both

Combining an employer 401(k) with a Solo 401(k) unlocks a powerful set of advantages that can dramatically transform your retirement outlook.

1

Maximize Tax Deductions

Every dollar you contribute reduces your taxable income. With both plans, you can shield significantly more income from taxes each year.

2

Accelerate Retirement Savings

Contributing to both plans allows you to save significantly more than the standard 401(k) limits, helping you reach your retirement goals faster.

3

Diversify Your Strategy

Your employer's 401(k) may have limited investment options, while a self-directed Solo 401(k) can give you access to alternative investments like real estate.

4

Access to Loans

Solo 401(k) plans allow you to borrow from your account, providing access to capital for your business or personal needs when you need it most.

Important Considerations

Eligibility Requirements

To open a Solo 401(k), you must have self-employment income from:

- A side business or freelance work
- Consulting or independent contractor work
- Any trade or business where you earn self-employment income

⚠ You cannot have any full-time employees (other than your spouse) in the business that sponsors the Solo 401(k).

Tracking Contributions

You're responsible for ensuring you don't exceed the combined employee deferral limit across both plans. Keep careful records of your contributions to each plan.

Note for 2026: If your prior-year wages exceeded $150,000, catch-up contributions must be made on a Roth basis.

Reporting Requirements

If your Solo 401(k) balance exceeds **$250,000**, you'll need to file Form 5500-EZ annually. The SEPira(k) platform handles this compliance requirement for you automatically.

How to Set Up Both Plans

Getting started with a dual 401(k) strategy is straightforward when you follow these steps. The SEPira(k) platform makes it easy to set up and manage your Solo 401(k) alongside your employer's plan.



Maximize Your Employer 401(k)

At minimum, contribute enough to get any employer match — that's free money you should never leave on the table.



Establish Your Solo 401(k)

Set up a Solo 401(k) for your self-employment income through the SEPira(k) platform.



Calculate Your Contributions

Determine how much you can contribute to each plan based on your W-2 and self-employment income.



Track Carefully

Monitor your employee deferrals to ensure you don't exceed the combined $24,500 limit across both plans.



Maximize Employer Contributions

Make profit-sharing contributions to your Solo 401(k) based on your self-employment income to fully leverage the $72,000 per-plan limit.

> If you have self-employment income alongside your W-2 job, you're leaving money on the table by not opening a Solo 401(k). The Guardian platform handles all the compliance, recordkeeping, and reporting requirements, so you can focus on maximizing your retirement savings.
>
> Contact us at sepirak.com/contact and we will put you in touch with one of our partners so you can start your Solo 401(k) journey today!