

PROFIT SHARING PLAN AND MONEY PURCHASE PLAN CONTRIBUTION WORKSHEETS



Calculating Your Fidelity Retirement Plan Contribution for 2009

If your business is unincorporated, these worksheets will help you calculate your annual contribution to your Fidelity Retirement Plan (Profit Sharing and Money Purchase Plans). If your business is incorporated, multiply the desired percentage by your W-2 wages. To calculate contributions for your employees, simply multiply the same percentage of earned income you are contributing for yourself by their wages, as reported on their W-2 forms. These worksheets will assist you with calculating your contribution and can help you stay within the IRS limitations. Fidelity does not provide legal or tax advice. Both tools are intended to serve as guides only, and you should consult your tax advisor for further assistance.

To begin:

- Choose the worksheet that matches the type of plan you have established. Use Worksheet A if you have a single Profit Sharing Plan or Money Purchase Plan. Use Worksheet B if you have both a Profit Sharing Plan and a Money Purchase Plan (a "Paired Plan").
- Have your income tax forms nearby (particularly Form 1040 and either Schedule C, Schedule C-EZ, or Schedule K-1). They contain the necessary information to complete your worksheet.

Remember:

- Your plan's yearly maximum allowable contribution is 0% to 25% of compensation for a Profit Sharing Plan and 3% to 25% of compensation for a Money Purchase Plan or a Paired Plan, up to a total of \$49,000 annually per participant for 2009 and 2010. The maximum compensation on which contributions can be based is \$245,000 annually per participant for 2009 and 2010.

If you're self-employed, compensation means earned income.

- The example provided below is based on contributions for the 2009 tax year. The deadline to contribute to your plan is by your tax-filing deadline (plus extension), usually April 15. For example, the deadline to contribute to your plan for the 2009 plan year is generally April 15, 2010 (plus extensions).

For additional help:

- Refer to the box on the next page for the formula to calculate your self-employment tax deduction (Line 2 of your worksheet).
- Call a Fidelity Retirement Representative toll free at 1-800-544-5373 from 8 a.m. to 8 p.m. Eastern time, seven days a week, with any questions you have regarding the worksheets or your plan.

Worksheet A: For a single Profit Sharing Plan or a single Money Purchase Plan

Use this worksheet to calculate your annual contribution if you have a single Profit Sharing or Money Purchase Plan. Round all dollar amounts down to the closest dollar.

	2009 Example	Yourself
1. Net Business Profits (From Schedule C, C-EZ, or K-1)	1. \$ <u>100,000</u>	_____
2. Deduction for Self-Employment Tax (see box on the next page) (From IRS Form 1040)	2. \$ <u>7,065</u>	_____
3. Adjusted Net Business Profits (Subtract Line 2 from Line 1)	3. \$ <u>92,935</u>	_____
4. Actual Contribution Percentage (expressed as a decimal) (Desired contribution percentage of earned income — for Money Purchase Plan, 3–25%; for Profit Sharing Plan, 0–25%)	4. <u>0.25</u>	_____
5. Contribution Factor (Add 1.00 to Line 4)	5. <u>1.25</u>	_____
6. Adjusted Earned Income (Divide Line 3 by Line 5)	6. \$ <u>74,348</u>	_____
7. Maximum Earned Income (Enter \$245,000 for 2009)	7. \$ <u>245,000</u>	_____
8. Final Earned Income (The lesser of Line 6 and Line 7)	8. \$ <u>74,348</u>	_____
9. Preliminary Contribution Amount (Multiply Line 4 by Line 8)	9. \$ <u>18,587</u>	_____
10. Maximum Dollar Contribution Amount (Enter \$49,000 for 2009)	10. \$ <u>49,000</u>	_____
11. Contribution Amount (The lesser of Line 9 and Line 10)	11. \$ <u>18,587</u>	_____

Calculating Your Fidelity Retirement Plan Contribution, *continued*

To Calculate Your Self-Employment Tax Deduction

	2009 Example	Yourself
1. Net business profits (from Schedule C, C-EZ, or K-1)	\$100,000	_____
2. Multiply Line 1 by 0.9235	\$ 92,350	_____
3. Multiply Line 2* by 0.124; write in this amount or \$13,243 for 2009, whichever is less	\$ 11,451	_____
4. Multiply Line 2 by 0.029 for your Medicare tax	\$ 2,678	_____
5. Add Line 3 and Line 4 for your total self-employment tax	\$ 14,129	_____
6. Multiply Line 5 by 0.5 for your self-employment tax deduction	\$ 7,065	_____

*Your Social Security tax applies to net earnings up to the Social Security wage base of \$106,800 annually for the 2009 and 2010 tax years.

Worksheet B: For a paired Profit Sharing Plan and Money Purchase Plan

Use this worksheet to calculate your annual contribution if you have both a Profit Sharing Plan and a Money Purchase Plan (a "Paired Plan").

	2009 Example	Yourself
1. Net Business Profits (From Schedule C, C-EZ, or K-1)	1. \$100,000	_____
2. Deduction for Self-Employment Tax (see box above) (From IRS Form 1040)	2. \$ 7,065	_____
3. Adjusted Net Business Profits (Subtract Line 2 from Line 1)	3. \$ 92,935	_____
4. Money Purchase Plan Contribution Percentage (expressed as a decimal) (Fixed percentage, set when plan established, 3–25%)	4. 0.10	_____
5. Profit Sharing Plan Contribution Percentage (expressed as a decimal) (Percentage can vary every year, 0–25%)	5. 0.15	_____
6. Total Contribution Percentage (expressed as a decimal) (Add Line 4 and Line 5, total must be 3–25%)	6. 0.25	_____
7. Contribution Factor (Add 1.00 to Line 6)	7. 1.25	_____
8. Adjusted Earned Income (Divide Line 3 by Line 7)	8. \$ 74,348	_____
9. Maximum Earned Income (Enter \$245,000 for 2009)	9. \$245,000	_____
10. Final Earned Income (The lesser of Line 8 and Line 9)	10. \$ 74,348	_____
11. Preliminary Money Purchase Plan Contribution Amount (Multiply Line 4 by Line 10, round down to closest dollar)	11. \$ 7,434	_____
12. Maximum Money Purchase Plan Dollar Contribution Amount (Enter \$49,000 for 2009)	12. \$ 49,000	_____
13. Money Purchase Plan Contribution Amount (The lesser of Line 11 and Line 12)	13. \$ 7,434	_____
14. Preliminary Profit Sharing Plan Contribution Amount (Multiply Line 5 by Line 10, round down to closest dollar)	14. \$ 11,152	_____
15. Maximum Profit Sharing Plan Dollar Contribution Amount (Subtract Line 13 from Line 12)	15. \$ 41,566	_____
16. Profit Sharing Plan Contribution Amount (The lesser of Line 14 and Line 15)	16. \$ 11,152	_____
17. Total Paired Plan Contribution Amount (The sum of Line 13 and Line 16)	17. \$ 18,586	_____