

## SEP-IRA CONTRIBUTION WORKSHEET

If you are self-employed or own your own unincorporated business, simply move step by step through this worksheet to calculate your SEP-IRA contribution. You will need to have your income tax forms nearby (particularly Form 1040 and Schedule C, Schedule C-EZ, or Schedule K-1). **Remember that the amount you can contribute annually is limited by the IRS, and you must contribute the same percentage of compensation for all eligible employees as you contribute for yourself.** This worksheet will assist you with calculating your contribution and can help you stay within the IRS limitations. You may also want to try our interactive version online at [Fidelity.com/retirement](http://Fidelity.com/retirement). Both tools are intended to serve as guides only, and you should consult your tax advisor for further assistance.

	2011 EXAMPLE	YOURSELF
<b>Step 1. Net Business Profits</b> (From Schedule C, C-EZ, or K-1)	1. \$50,000	_____
<b>Step 2. Deduction for Self-Employment Tax</b> (From IRS Form 1040)	2. \$3,532	_____
<b>Step 3. Adjusted Net Business Profits</b> (Subtract Line 2 from Line 1)	3. \$46,468	_____
<b>Step 4. Contribution Percentage (expressed as a decimal)</b> (Desired contribution as a percentage of earned income, 0%–25%, which can vary each year)	4. 0.25	_____
<b>Step 5. Contribution Factor</b> (Add 1.00 to Line 4)	5. 1.25	_____
<b>Step 6. Adjusted Earned Income</b> (Divide Line 3 by Line 5)	6. \$37,174	_____
<b>Step 7. Maximum Earned Income</b> (Enter \$245,000 for 2011 and \$250,000 for 2012)	7. \$245,000	_____
<b>Step 8. Final Earned Income</b> (The Lesser of Line 6 and Line 7)	8. \$37,174	_____
<b>Step 9. Contribution Amount</b> (Multiply Line 4 by Line 8)	9. \$9,293	_____

### Here are some additional guidelines for calculating your SEP-IRA contribution:

#### Your Contribution Amount

- You may contribute as much as 25% of compensation per participant, up to \$49,000 for tax years 2011 and \$50,000 for 2012, to a Fidelity SEP-IRA. The maximum compensation limit is \$245,000 for 2011 and \$250,000 for 2012. You should verify your contribution amount with your tax advisor.

#### Calculating Contributions for Employees

- A common-law employee is an employee who works for a self-employed person, a partnership, or a corporation, but who has no financial interest in the employer's trade, business, or profession. To calculate contributions for common-law employees, simply multiply the same percentage of compensation you are contributing for yourself by each employee's wages, as shown on their W-2.

#### Calculating Your Contribution if You Are Self-Employed

- Individuals with self-employed income must base their contributions on "earned income." For self-employed individuals, earned income refers to net business profits derived from the business, reduced by a deduction of one-half of your self-employment tax, less your SEP-IRA contribution.