



Schwab Personal Defined Benefit Plan Funding Proposal Worksheet

To receive a complimentary funding proposal for your Schwab Personal Defined Benefit (DB) Plan, please provide the following information. Our dedicated team will provide your DB plan proposal approximately five business days after all the information requested is received. Note: This worksheet is for the administration of newly established plans only.

This form must be received by November 15 (Hard Deadline) to establish a plan effective for the current year.

Note:

If you already have a Defined Benefit plan, with your own actuary, and would like to custody the assets at Schwab, please call 1-877-456-0777 to request a Schwab Company Retirement Account (CRA) application. If you work with an independent investment advisor, you will need to contact the investment advisor to establish a CRA.

Instructions:

- In order for our actuaries to develop a customized DB plan funding proposal for your business, you must **PROVIDE ALL INFORMATION REQUESTED** on all pages.
- Mail your completed Funding Proposal Worksheet to:
Schwab Personal Defined Benefit Plan Department
Charles Schwab & Co., Inc.
P.O. Box 407
Richfield, OH 44286-0407

Or fax your completed worksheet to our secure line:
1-800-977-8814.

Today's Date _____

Your contact information:

Mr. Mrs. Ms. Dr.

Your name _____

Your title for legal documents _____
(Owner, President, CEO, etc.)

Company name _____

Type of Business:

Sole Proprietorship Partnership
 Corporation S Corporation
 LLC Other _____

Address _____

City _____

State _____ County _____ Zip Code _____

Telephone _____

Fax _____

Email address _____

Your company's Employer
Identification Number (EIN) _____

(Do not list your Social Security number.)

Company's tax year end is: December 31

Other (specify) _____

The best way to contact me is by:

Email Phone Fax

Please contact my investment advisor listed below.

Schwab Advisor Services information (if applicable):

Firm name _____

Investment advisor name _____

Investment advisor phone _____

Investment advisor email _____

Schwab master account number _____

Schwab Personal DB Plan Fee Schedule

Schwab guarantees these rates for three years. After the first three years, Schwab reserves the right to modify the following fees for future services at any time by notifying the Employer in writing at least sixty (60) days prior to the effective date of the modification.

Plan Set-Up and Annual Service Fees:

Service Fees	Type of Coverage			
	One Person Only	Owner and Spouse	Key Employees Only	Owner(s) and Staff
Set-Up Fees*	\$1,500	\$1,750	\$1,750	\$1,750+ \$200 per participant
Annual Fees	\$1,500	\$1,750	\$1,750	\$1,750+ \$200 per participant
If the company previously sponsored a DB plan, the fees are as follows:				
Set-Up Fees*	\$2,500	\$2,750	\$3,250	\$2,750+ \$200 per participant
Annual Fees	\$2,500	\$2,750	\$3,250	\$2,750+ \$200 per participant

*A non-refundable \$500 deposit will be requested before plan documents are prepared, with the balance invoiced after the account is established.

Set-Up Fees Include:

Plan design; subsequent discussions; and preparation of documents to establish the plan and Schwab account

Annual Fees Include:

Preparation of Form 5500, with schedules and attachments; actuarial valuation report; annual funding certifications as required; and Pension Benefit Guaranty Corporation (PBGC) forms and Annual Funding Notices (where applicable)

Other Fees Include:

Multiple Plan Annual Service Fee for Contributions Made to Defined Contribution Plans:

- Qualified 401(k) deferrals (available only in a 401(k) plan): \$0
- All other Employer contributions made to another plan of the plan sponsor, including but not limited to Profit-Sharing, Employer Matching, SEP-IRA, Money Purchase, Safe-Harbor Contributions: \$750

Plan Amendments:

- To freeze and/or unfreeze the plan: \$250 to \$350
- To change eligibility, plan sponsor information, or other non-benefit-related amendments: \$250
- To change the benefit formula: \$750 to \$1,000

Plan Terminations:

- Without submission to the IRS: \$1,000 to \$1,500, plus \$250 for each participant in excess of two
- With submission to the IRS: \$4,800 to \$6,000 (includes \$2,300 IRS filing fee)
- PBGC-covered plans: \$350 for request to remove coverage only; \$700 for PBGC standard termination

Distributions:

- Distributions not part of a plan termination: \$250
- Required Minimum Distribution: \$450
- Qualified Domestic Relations Order: Minimum \$700

Other Potential Administrative Fees:

- Recordkeeping for more than 12 contributions in a single plan year: \$350
- Maintaining more than one account for the DB plan: \$250 per account, per year
- Form 5500-EZ not requiring a Schedule SB (final year): \$250**
- Form 5500-SF not requiring a Schedule SB (final year): \$350**
- Amend Form 5500-EZ, 5500-SF, Schedule SB: \$450

Extraordinary services not covered above are billed at a rate of \$175 per hour.

**This occurs when the DB plan terminates in one year (e.g., November 2019) and participant distributions occur the following year (e.g., April 2020).

Plan Sponsor Information

1. List the total amount your company can contribute to a DB plan (for you and your employees, if any) this year. Note: In each subsequent year, your contributions may be higher or lower than this amount.

\$ _____
 Maximum allowed, but not more than \$ _____

Would this contribution reduce the owner's/key employee's current-year expected W-2 wages or compensation reported on page 4 of this document?

- Yes, it would reduce the amount shown.
 No, company profits would be reduced to cover DB plan contributions.

2. Do you currently sponsor any other type of business retirement plan (e.g., 401(k), profit-sharing, or money purchase pension plan, etc.)?

- Yes
- SEP-IRA Form 5305-SEP SIMPLE IRA or SIMPLE 401(k)
 Profit-sharing only 401(k)/Profit-sharing
 Other (describe) _____
How much have you contributed to this plan for this current tax year? _____

No

Note: If you currently have a SIMPLE IRA or SIMPLE 401(k) plan, you cannot open a DB plan this year. You may terminate your SIMPLE IRA or SIMPLE 401(k) plan this year and start your DB plan next year. If a contribution is made to a defined contribution (DC) plan while operating the DB plan, an additional fee of \$750 will apply unless the contribution is a qualified 401(k) pre-tax salary deferral.

3. Have you or your company sponsored a DB plan in the past? (If "yes," an additional annual fee of at least \$1,000 will apply.)

- Yes. Please provide the following information:
- a) Effective date of the prior plan: _____
b) Plan termination date: _____
c) For each eligible employee (on a separate document):
- Name of participant
 - Years and months of participation
 - Lump sum received
 - Date lump sum was paid

No

- 4a. Does your business have employees besides yourself? Note: The DB plan must cover all current employees who work over 1,000 hours in any year since their date of hire.

- Yes. If "yes," number of employees who:
work over 1,000 hours per year _____
work under 1,000 hours per year _____

No

- 4b. In the last two years, have you terminated any employee(s) who worked over 1,000 hours?

Yes No

If "yes," please provide date of birth, date of hire, and date of termination for each employee.

- 5a. Are you or your business an owner of another business entity?

Yes (Please refer to the Employer Questions and Answers brochure for information on how ownership in other companies can affect your DB plan.)

No

- 5b. Is your spouse an owner of other business entities including sole proprietorships?

Yes (Please refer to the Employer Questions and Answers brochure for information on how a spouse's ownership in other companies can affect your DB plan.)

No

6. For each business you or your spouse owns, excluding the business named on page 1, please provide the following information (6a–6d) on a separate sheet of paper and submit with this form:

- a) Name of the business
b) Name of each owner and their percentage of ownership (must total 100%)
c) Are there any employees (excluding owners) in the business?
d) Does this business provide services to the business listed on page 1?

- 7a. Do you have a minor child (under age 21)?

Yes No

- 7b. If 7a is "yes," does the other parent of the minor child own his/her own business?

Yes No

Note: If you answered "yes" for both questions 7a and 7b, your business and the other parent's business are most likely part of a controlled group of businesses. In order to answer question 8, you may need to discuss this issue with your attorney or tax advisor.

8. If you answered "yes" for either question 5a, 5b or 7b, is your company or sole proprietorship part of any controlled group of businesses or affiliated service group or any other group that is required to cover all employees of the group under this DB plan? (The rules are complicated and we suggest you make this determination by consulting your attorney or tax advisor.)

Yes No

9. Are you planning on hiring additional employees in the future?

Yes. If "yes," please describe hiring plans:

No

Participant data:

Please provide the following information for all owners/ partners and employees, including yourself. All fields are required so that our actuaries can develop a funding proposal. If you answered “yes” to question 8, please make a copy of this page and provide participant data separately for each company or sole proprietorship that is part of the controlled group described in question 8.

Note: The Schwab Personal DB Plan is designed for small businesses with five or fewer key employees¹ and very few, if any, non-key employees. Ideally, all key employees will be between the ages of 50 and 65. Furthermore, the business should expect to make significant, tax-deductible annual contributions (\$80,000+ per key employee) for a period of five or more years from plan inception.

	You	Employee 1	Employee 2	Employee 3	Employee 4
Date of birth					
Date of hire					
Type of compensation (choose only one for each employee); see below for types of compensation	W-2 wages <input type="checkbox"/> Schedule C <input type="checkbox"/> K-1 Line 14A <input type="checkbox"/>	W-2 wages <input type="checkbox"/> Schedule C <input type="checkbox"/> K-1 Line 14A <input type="checkbox"/>	W-2 wages <input type="checkbox"/> Schedule C <input type="checkbox"/> K-1 Line 14A <input type="checkbox"/>	W-2 wages <input type="checkbox"/> Schedule C <input type="checkbox"/> K-1 Line 14A <input type="checkbox"/>	W-2 wages <input type="checkbox"/> Schedule C <input type="checkbox"/> K-1 Line 14A <input type="checkbox"/>
Current-year expected W-2 wages or net income before deduction for anticipated DB contribution; ² see below for description					
Actual W-2 wages or net income for the highest three consecutive years; ² see below for description	Year: \$	Year: \$	Year: \$	Year: \$	Year: \$
List the year and the amount of income for each year Example: Year: 2012 \$200,000	Year: \$	Year: \$	Year: \$	Year: \$	Year: \$
Expected annual % increase in future net income					
Enter “yes” if owner, officer, or key employee of company					
If prior line says “yes,” provide expected retirement age ³					
Relationship of employees to you: (spouse, child, parent, none)					

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Types of Compensation

- W-2 wages (Box 5) if business is a corporation or an LLC taxed as a corporation, or for any employees of the business.
- Net Schedule C if business is a sole proprietorship or an LLC not taxed as a corporation.
- K-1 Line 14A if business is a partnership.

¹A key employee is defined as an employee who is at least a 5% owner, or who is at least a 1% owner with annual compensation of \$170,000 or more.

²If you are taxed as a sole proprietorship, this is your net income earned (your net profit, per line 31 on page 1 of your Schedule C form, minus the FICA taxes you pay as an employer). For partnerships, this is self-employment earnings minus the employer portion of FICA taxes. For other entities, this is generally W-2 income.

³Please provide best estimate of retirement age. If you provide a range, the middle age of that range will be used for your initial estimate.

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