



# 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. Beginning in April each year, our dedicated team will provide your DB plan proposal approximately five business days after we receive all the requested information. Note: This worksheet is for the administration of newly established plans only.

**Return this form by November 15 for the best timeline to establish a plan effective for the current year.**  
**Final Deadline: 15 days after the calendar year-end (January 15—Hard Deadline)**

**Note:**

If you already have a Defined Benefit plan with your own actuary, and would like to custody the assets at Schwab, please call 1-800-435-4000 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 your 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
- To email your completed worksheet, contact PersonalDB@schwab.com to access a secure message system.

**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 \_\_\_\_\_

Today's date \_\_\_\_\_

**Your contact information:**

Mr.  Mrs.  Ms.  Dr.  
 Your name \_\_\_\_\_

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

Your profession \_\_\_\_\_

Company name \_\_\_\_\_

Your ownership % in this business \_\_\_\_\_

Type of business:

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> Partnership   |
| <input type="checkbox"/> Corporation         | <input type="checkbox"/> S Corporation |
| <input type="checkbox"/> LLC                 | <input type="checkbox"/> Other _____   |

Address \_\_\_\_\_

City \_\_\_\_\_ County \_\_\_\_\_

State \_\_\_\_\_ 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

## 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*	\$2,250	\$2,250	\$2,250	\$2,250
Annual Fees	\$1,750	\$2,000	\$2,000	\$2,600 up to 3 participants \$3,000 for 4-5 participants
If the company previously sponsored a DB plan, the fees are as follows:				
Set-Up Fees*	\$3,250	\$3,250	\$3,250	\$3,250
Annual Fees	\$2,750	\$3,000	\$3,000	\$3,600 up to 3 participants \$4,000 for 4-5 participants

\*A non-refundable \$750 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; plan restatements as required by the IRS to maintain the pre-approved document

#### 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, and Safe-Harbor Contributions: \$750

##### Plan Amendments:

- To freeze and/or unfreeze the plan: \$250 to \$450
- 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: \$1,500, plus \$250 for each participant in excess of two
- With submission to the IRS: \$3,000 to \$3,750, plus applicable IRS filing fee, currently \$3,000. The IRS reserves the right to change the filing fee at any time.
- PBGC-covered plans: \$400 for request to remove coverage only; \$800 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 2020) and participant distributions occur the following year (e.g., April 2021).

## 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
- |  |   |
|--|---|
| <input type="checkbox"/> SEP-IRA                 | <input type="checkbox"/> 401(k)/Profit-sharing plan |
| <input type="checkbox"/> Form 5305-SEP           | <input type="checkbox"/> Profit-sharing plan        |
| <input type="checkbox"/> SIMPLE IRA              | <input type="checkbox"/> SIMPLE 401(k)              |
| <input type="checkbox"/> Other (Describe.) _____ |   |

How much have you contributed to any of these plans 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, your company, or a Predecessor Employer 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. During this calendar year, did 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 (on a separate sheet) 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 or receive services from the business listed on page 1?

Yes  No  N/A

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

Yes  No  N/A

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

Yes  No  N/A

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 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  N/A

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 employees<sup>1</sup> 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; <sup>2</sup> see below for description.					
Actual W-2 wages or net income for the highest three consecutive years; <sup>2</sup> see below for description.	Year: \$	Year: \$	Year: \$	Year: \$	Year: \$
List the year and the amount of income for each year from business listed on page 1.	Year: \$	Year: \$	Year: \$	Year: \$	Year: \$
Example: Year: 2019 \$200,000	Year: \$	Year: \$	Year: \$	Year: \$	Year: \$
Expected annual % increase in future net income					
Enter “yes” if owner, officer, or key employee of company <sup>1</sup>					
If prior line says “yes,” provide expected retirement age <sup>3</sup>					
Relationship of employees to you: (spouse, child, parent, none)					

**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 (not pass-through income).
- 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.

<sup>1</sup>A key employee is defined as an employee who, at any time during the plan year, is (1) an officer having annual compensation greater than \$185,000 (subject to cost-of-living adjustments); (2) a 5% owner; or (3) a 1% owner whose annual compensation exceeds \$150,000. Staff are any employees who are not key employees.

<sup>2</sup>If 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.

<sup>3</sup>Please 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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