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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 June each year, our dedicated team will provide you a DB plan proposal via Secure email 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 (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 1-800-694-9449 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:

1. 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.
2. To email your completed worksheet, contact PersonalDB@schwab.com to access the secure message system.
3. You may also fax your completed worksheet to 800-977-8814.

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:

☐ **Sole Proprietorship** ☐ **Partnership**
☐ **Corporation** ☐ **S Corporation**
☐ **LLC** ☐ **Other** _____

Address _____

City _____ **County** _____

State _____ **Zip code** _____ **Country** **USA**

Telephone _____

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.)* _____

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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	$2,000	$2,250	$2,250	$3,000 up to 3 participants $3,500 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	$3,000	$3,250	$3,250	$4,000 up to 3 participants $4,500 for 4-5 participants

*A non-refundable $1,000 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: $2,000, 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 $3,500. 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 2026) and participant distributions occur the following year (e.g., April 2027).

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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 $** _____

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** *(Select all that apply)*

   ☐ **SEP-IRA** ☐ **401(k)/Profit-sharing plan**

   ☐ **Form 5305-SEP** ☐ **Profit-sharing plan**

   ☐ **SIMPLE IRA** ☐ **SIMPLE 401(k)**

   ☐ **Other** *(Describe.)* _____

   How much have you contributed to any of these plans for this current tax year? **$** _____

   ☐ **No**

   Note: If you currently have a Form 5305-SEP, 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.

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):

   i. Name of participant

   ii. Years and months of participation

   iii. Lump sum received

   iv. Date lump sum was paid

   ☐ **No**

4. During this calendar year, did your business have employees besides yourself?

   ☐ **Yes. If "yes," number of employees who:**

   work over 1,000 hours per year _____

   work under 1,000 hours per year _____

   ☐ **No**

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

   ☐ **Yes**

   a) Name of the business _____

   b) Name of each owner and their percentage of ownership (must total 100%) _____

   c) Are there any employees (excluding yourself) in the business?

   ☐ **Yes** ☐ **No**

   d) Does this business provide services to or receive services from the business listed on page 1?

   ☐ **Yes** ☐ **No**

   ☐ **No**

6. Is your spouse an owner of other business entities, including sole proprietorships?

   ☐ **Yes**

   a) Name of the business _____

   b) Name of each owner and their percentage of ownership (must total 100%) _____

   c) Are there any employees (excluding yourself) in the business?

   ☐ **Yes** ☐ **No**

   d) Does this business provide services to or receive services from the business listed on page 1?

   ☐ **Yes** ☐ **No**

   ☐ **No**

7. If you answered "yes" for question 5 or 6, 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**

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

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

   _____

   _____

   ☐ **No**

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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 7, 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 7.

Note: The Schwab Personal DB Plan is designed for small businesses with five or fewer key employees[1] 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 ($100,000+ per key employee) for a period of five or more years from plan inception.

	You	**Employee 1**	**Employee 2**	**Employee 3**	**Employee 4**
Name					
Date of birth					
Date of hire					
Type of compensation (choose only one for each employee); see below for types of compensation.	**W-2 wages** ☐ **Schedule C** ☐ **K-1 Line 14A** ☐	**W-2 wages** ☐ **Schedule C** ☐ **K-1 Line 14A** ☐	**W-2 wages** ☐ **Schedule C** ☐ **K-1 Line 14A** ☐	**W-2 wages** ☐ **Schedule C** ☐ **K-1 Line 14A** ☐	**W-2 wages** ☐ **Schedule C** ☐ **K-1 Line 14A** ☐
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 from business listed on page 1.	**year:** _____ **$** _____	**year:** _____ **$** _____	**year:** _____ **$** _____	**year:** _____ **$** _____	**year:** _____ **$** _____
Example: Year: 2019 $200,000	**year:** _____ **$** _____	**year:** _____ **$** _____	**year:** _____ **$** _____	**year:** _____ **$** _____	**year:** _____ **$** _____
Enter “yes” if owner, officer, or key employee of company[1]					
If prior line says “yes,” provide expected retirement age[3]					
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.

[1]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 a certain amount as defined by the IRS.; (2) a 5% owner; or (3) a 1% owner whose annual compensation exceeds $150,000. Staff are any employees who are not key employees.

[2]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.

[3]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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