

THE FIDELITY SELF-EMPLOYED 401(k) CONTRIBUTION WORKSHEET FOR UNINCORPORATED BUSINESSES

Calculating Your Maximum 2009 Plan Year Contribution

If you are self-employed, the worksheets below and on the other side of this page may help you to calculate your retirement plan contributions.* However, you are strongly advised to consult with a tax advisor or accountant when calculating your contribution amounts. You may also refer to IRS Publication 560 for further information.

A Fidelity Retirement Representative is available at 1-800-544-4774 from 8 a.m. to 8 p.m. Eastern time, seven days a week, to answer questions regarding your retirement plan.

To begin:

- 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.

Step 1: Calculate your self-employment tax deduction. Enter this amount on line 2 of the worksheet on the reverse side.

Step 2: Calculate your maximum contributions.

- You may make a maximum salary deferral contribution of up to 100% of compensation, not to exceed \$16,500 for 2009 and 2010.
- If you are age 50 or older (in the calendar year for which you are making the contribution) you may be able to defer an additional \$5,500 for 2009 and 2010, referred to as a catch-up contribution.
- Your maximum annual deductible contribution for profit sharing is 25% of compensation up to a total of \$49,000 for 2009 and 2010. The maximum compensation on which contributions can be based is \$245,000 for 2009 and 2010. For self-employed individuals, compensation means earned income.
- Total profit sharing and salary deferral contributions may not exceed \$49,000 for 2009 and 2010 (\$54,500 if age 50 or older).

Step 1: Calculate your self-employment federal income tax deduction

	2009 Example	Yourself
1. Business net profits (from Schedule C, C-EZ, or K-1)	\$100,000	_____
2. Multiply Line 1 by .9235	\$ 92,350	_____
3. Multiply Line 2 ¹ by .124; write in this amount or \$13,243 for 2008 (whichever is less)	\$ 11,451	_____
4. Multiply Line 2 by .029 for your Medicare tax	\$ 2,678	_____
5. Add Lines 3 and 4 for your total self-employment tax	\$ 14,129	_____
6. Multiply Line 5 by .5 for your self-employment tax deduction	\$ 7,065	_____

* If you have more than one source of income or participate in another salary deferral plan, this calculation will not be accurate. You are advised to consult with your tax advisor or accountant.

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

Step 2: Calculate your maximum contributions

	2009 Example	Yourself
Part I – Calculate Your Adjusted Net Business Profits		
1. Business Net Profits (From Schedule C, C-EZ, or K-1)	1. <u>\$ 100,000</u>	_____
2. Self-Employment Tax Deduction (see box on reverse side) (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>	_____
Part II – Calculate Your Maximum Salary Deferral³		
4. Annual Salary Deferral Limit (Enter \$16,500 for 2009)	4. <u>\$ 16,500</u>	_____
5. Maximum Salary Deferral Amount (The lesser of Line 4 and Line 3)	5. <u>\$ 16,500</u>	_____
6. Adjusted Net Business Profits after Salary Deferral (Subtract Line 5 from Line 3) <i>If the result is zero, stop here. The result on Line 5 is the maximum contribution you can make to your plan.</i>	6. <u>\$ 76,435</u>	_____
Part III – Calculate Your Maximum Profit Sharing Contribution		
7. Calculation A: Divide Line 6 by 2.00	7. <u>\$ 38,218</u>	_____
8. Calculation B: Multiply Line 3 by .20	8. <u>\$ 18,587</u>	_____
9. Calculation C: Subtract Line 5 from \$49,000 for 2009	9. <u>\$ 32,500</u>	_____
10. Maximum Profit Sharing Contribution (Enter the lesser of Lines 7, 8 or 9)	10. <u>\$ 18,587</u>	_____
Part IV – If Age 50 or Older by Applicable Year-End,⁴ Calculate Your Maximum Catch-Up Salary Deferral		
11. Annual Catch-Up Salary Deferral Limit (If age 50 or older by applicable year-end) (Enter \$5,500)	11. <u>\$ 5,500</u>	_____
12. Adjusted Net Business Profits after Salary Deferral and Profit Sharing Contribution (Subtract Line 10 from Line 6)	12. <u>\$ 57,848</u>	_____
13. Maximum Catch-Up Salary Deferral Amount (Enter the lesser of Line 11 or Line 12)	13. <u>\$ 5,500</u>	_____
Part V – Calculate Your Maximum Contribution Amount		
14. Maximum Contribution Amount	14.	_____
a. If you are under age 50, add Lines 5 and 10	<u>\$ 35,087</u>	_____
b. If you are age 50 or older by applicable year-end, add Lines 5, 10 and 13	<u>\$ 40,587</u>	_____

Your salary deferral amount must be in accordance with your 401(k) Salary Reduction Agreement election made prior to your plan year-end. If you are age 50 or older, or will turn age 50 during the calendar year for which you are making the contribution, you may be able to make an additional contribution up to the limits outlined on this worksheet.