

401K CONTRIBUTION UNINCORPORATED BUSINESS WORKSHEET

2008 Calendar Year. For Illustration purposes only. See your Tax Advisor for tax advice

To get started have your tax forms available

(Form 1040, Schedule C, or Schedule C-ESZ, or Schedule K-1.)

Determine your self employment tax deduction

1. Business Net Profits (From Schedule C, C-EZ or K-1)	\$ _____
(without 401k contributions)	
2. Multiply line 1 by .9235	\$ _____
3. Multiply line 2 by .124. Write this amount or \$12,648	\$ _____
(Whichever is less)	
4. Multiply line 2 by .029 for your Medicare tax	\$ _____
5. Add lines 3 and 4 for your total Self Employment tax	\$ _____
6. Divide line 5 by 2 to get your self employment tax.	\$ _____

Calculate your maximum contribution

Salary Deferral	
1. Calculate Business Net Profits (From Schedule C, C-EZ or K-1)	\$ _____
2. Enter your Self Employment Tax Deduction (From Line 6 above)	\$ _____
3. Determine Net Business Profits (Subtract line 2 from line 1)	\$ _____
4. Annual Salary Deferral Limit (\$15,500 for 2008)	\$15,500
5. Maximum Salary Deferral Amount (Lesser of line 3 or line 4)	\$ _____
6 Adjusted net business profits after Salary Deferral (Subtract line 5 from line 3)	\$ _____
Profit Sharing	
7. Divide line 6 by 2	\$ _____
8. Multiply line 3 by .20	\$ _____
9. Subtract line 5 from \$46,000	\$ _____
10 Your Profit Sharing Contribution (Enter the lesser of lines 7 8 or 9)	\$ _____
Catch-up Contribution	
11. Adjusted Net Business Profits after Salary Deferral and Profit Sharing Contributions (Subtract line 10 from line 6)	\$ _____
12. Maximum Catch-up Salary Deferral Amount (Enter the lesser of \$5,000 or line 11)	\$ _____
13 Your Total Contributions (Add lines 5 and 10 if under age 50) (Add lines 5, 10 and 12 if age 50 or older)	\$ _____

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