

**This guide is designed to answer questions self-employed individuals have about the Uni-K Plan®. This material is not intended to replace the advice of a qualified attorney, tax or investment professional or insurance agent. This material does not address state tax deductibility, which may vary from state to state. Before making any financial commitment regarding the issues discussed here, consult with the appropriate professional. For more information, see IRS Publication 560, Retirement Plans for Small Business.**

### **Q. How much can I contribute to a Uni-K Plan® in 2021?**

**A.** The overall contribution limit for Uni-K Plan® is \$58,000 (\$64,500 if age 50 or older) or 100% of compensation, whichever is less. This amount is comprised of employee and employer contributions. You can contribute up to a maximum of \$19,500 or 100% of your compensation, whichever is less, to your Uni-K Plan® as an employee (salary deferral) contribution, which you may designate as either pre-tax, Roth or a combination of the two. (Individuals age 50 or older can make an additional \$6,500 in catch-up contributions.) In addition, as employer, you can make tax-deductible contributions of up to 25% of compensation.

**Note:** For 2021, no more than \$290,000 of compensation can be taken into account.

### **Q. What is the difference between an employer contribution and an employee (salary deferral) contribution?**

**A.** If your business is incorporated, the employer contribution is based on your W-2 income. The maximum employer contribution is 25% of pay. It is not subject to federal income tax or Social Security (FICA) taxes. The employee or salary deferral contributions are withheld from your pay and may be made on a pre-tax or Roth basis. Pre-tax employee contributions are excluded from federal income tax, but are still subject to FICA. The maximum employee contribution amount for 2021 is 100% of pay up to \$19,500 (\$26,000 if you are age 50 or older).

If your business is unincorporated, the employer and salary deferral contributions are based on your compensation. For help in determining your maximum contribution amount, refer to the Self-Employed Contribution Worksheet on the reverse side. Pre-tax contributions are not subject to federal income tax, but are subject to self-employment taxes. You receive a tax deduction for employer contributions and employee contributions not designated as Roth on your Form 1040.

**Note:** Your annual contributions to Uni-K Plan® cannot exceed the lesser of \$58,000 (\$64,500 if you are age 50 or older) or 100% of pay.

### **Q. Where do I deduct my Uni-K Plan® contributions?**

**A.** Generally, sole proprietors and partners deduct employer and employee contributions (excluding Roth contributions)

made for themselves on Form 1040. Employer contributions made on behalf of an employed spouse would generally be reflected on Schedule C or Schedule K-1.

Corporations and S-Corporations generally reflect employee contributions (salary deferrals) on Form W-2. Both employer and employee contributions would be deducted on Form 1120 or 1120S.

### **Q. When must contributions be made in order to take a deduction for a given year?**

**A.** Employer contributions must be made by the business tax filing deadline plus extensions. Generally, employee contributions (salary deferrals) should be deposited by the earliest date on which they can reasonably be segregated from the employer's general assets, but no later than the 15<sup>th</sup> business day following the month in which they are withheld from pay or business income. There are varying interpretations concerning how this general rule applies with regards to salary deferral contributions made on behalf of unincorporated business owners. Accordingly, unincorporated business owners are advised to seek guidance from a competent attorney or a qualified tax advisor when determining the date by which salary deferral contributions should be remitted.

### **Q. What are my administrative responsibilities?**

**A.** Since your plan covers only owners, spouses and other eligible family members, your administrative requirements are minimal. In addition to remitting contributions to the plan, the IRS requires an annual Form 5500-series filing. Generally, no filing is required until total aggregate plan assets exceed \$250,000. **Exception:** For the final plan year, filing is required within seven months of terminating the plan, regardless of plan size. **Note:** To assist plan sponsors with these administrative responsibilities, Amundi US will provide a 5500-series form to plans with more than \$250,000 in assets at the end of the calendar year (12/31). Amundi US will also provide a signature-ready 5500-series form to terminated plans, provided that the Plan Sponsor completes the "Plan Termination" section of the Uni-K Withdrawal Form.

## Self-Employed Contribution Worksheet

If your business is unincorporated, this worksheet will help you determine your annual Uni-K Plan<sup>®</sup> contribution for 2021. Start with your net business profit from Schedule C, Schedule C-EZ, Schedule F, or Schedule K-1 of your Form 1040. You should verify your contribution amount with your tax advisor. (This example assumes a 55-year-old proprietor of an owner-only business.)

		Example	Yourself
<b>Step 1</b>	Enter your net profit from line 31, Schedule C (Form 1040); line 34, Schedule F (Form 1040)*; or box 14, code A**, Schedule K-1 (Form 1065)*. For information on other income included in net profit from self-employment, see the Instructions for Schedule SE, Form 1040.  * Reduce this amount by any amount reported on Schedule SE (Form 1040), line 1b. ** General partners should reduce this amount by the same additional expenses subtracted from box 14, code A to determine the amount on line 1 or 2 of Schedule SE.	\$ 200,000	_____
<b>Step 2</b>	Enter your deduction for self-employment tax Schedule 1 (Form 1040), line 14.	\$11,532	_____
<b>Step 3</b>	Net earnings from self-employment. Subtract step 2 from step 1	\$ 188,468	_____
<b>Step 4</b>	Enter your rate from the <i>Rate Table for Self-Employed</i> or <i>Rate Worksheet for Self-Employed</i> ***  ***See IRS Publication 560 to determine your self-employed contribution rate. Do not enter more than 20% (.20).	.20	_____
<b>Step 5</b>	Multiply step 3 by step 4	\$ 37,694	_____
<b>Step 6</b>	Multiply \$290,000 by your plan contribution rate (not the reduced rate)	\$ 72,500	_____
<b>Step 7</b>	Enter the <b>smaller</b> of step 5 or step 6	\$ 37,694	_____
<b>Step 8</b>	Contribution dollar limit  • If you made any elective deferrals to your self-employed plan, go to step 9. • Otherwise, skip steps 9 through 20 and enter the smaller of step 7 or step 8 on step 21.	\$ 58,000	\$ 58,000
<b>Step 9</b>	Enter your allowable elective deferrals (including designated Roth contributions) made to your self-employed plan during 2021. Do not enter more than \$19,500	\$ 19,500	_____
<b>Step 10</b>	Subtract step 9 from step 8	\$ 38,500	_____
<b>Step 11</b>	Subtract step 9 from step 3	\$ 168,968	_____
<b>Step 12</b>	Enter one-half of step 11	\$ 84,484	_____
<b>Step 13</b>	Enter the smallest of step 7, 10, or 12	\$ 37,694	_____
<b>Step 14</b>	Subtract step 13 from step 3	\$ 150,774	_____
<b>Step 15</b>	Enter the <b>smaller</b> of step 9 or step 14  • If you made catch-up contributions, go to step 16. • Otherwise, skip steps 16 through 18 and go to step 19.	\$ 19,500	_____
<b>Step 16</b>	Subtract step 15 from step 14	\$ 131,274	_____
<b>Step 17</b>	Enter your catch-up contributions (including designated Roth contributions), if any. Do not enter more than \$6,500	\$ 6,500	_____
<b>Step 18</b>	Enter the smaller of step 16 or step 17	\$ 6,500	_____
<b>Step 19</b>	Add steps 13, 15, and 18	\$ 63,694	_____
<b>Step 20</b>	Enter the amount of designated Roth contributions included on steps 9 and 17	\$ 0	_____
<b>Step 21</b>	Subtract step 20 from step 19. This is your maximum deductible contribution.	\$ 63,694	_____
<b>Next:</b>	Enter your actual contribution, not to exceed your maximum deductible contribution, on Schedule 1 (Form 1040), line 15.		_____

Note: References to tax forms are based upon the 2020 versions of the forms.

Source: IRS Publication 560, Retirement Plans for Small Business

Withdrawals of earnings or other taxable amounts are subject to income tax and, if made prior to age 59½, may be subject to an additional 10% federal tax penalty.

Individuals are encouraged to seek advice from their financial, legal, tax and other appropriate professionals before making any investment or financial decisions or purchasing any financial, securities or investment related product or service, including any product or service described in these materials. Amundi US does not provide investment advice or investment recommendations.

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