

Solo Defined Benefit Plan Establishment Kit



Getting started...

Thank you for choosing Ascensus, LLC to provide plan document services for your Solo Defined Benefit qualified retirement plan. Please complete the following information to begin the document establishment process.

Is the Ascensus Solo Defined Benefit Program Right for Me?

The Ascensus Solo Defined Benefit program is designed exclusively for owner-only businesses and for small businesses that can exclude non-owner employees. The Ascensus Solo Defined Benefit program may be right for you if you meet these requirements.

- The Plan must cover only you (or you and your spouse) and you (or you and your spouse) must own the entire business (which may be incorporated, unincorporated, or LLC).
- The Plan must cover only one or more partners (or partners and their spouses) in a business organized as a business partnership, and all partners must own at least 10% of the business.

Before completing the Plan Establishment Kit, please consult with a tax/legal advisor to determine if the Ascensus Solo Defined Benefit program is appropriate for you. This Solo Defined Benefit program is intended to be the only plan maintained by the employer. If you intend to maintain or make contributions to any other retirement plan in addition to the Ascensus Solo Defined Benefit, please consult with a tax/legal advisor to determine if the Ascensus Solo Defined Benefit program is suitable for you.

Important notes to consider...

■ **Deadline to Establish**

- **All employers** can sign and adopt a new Solo Defined Benefit plan as late as their tax return, *plus extensions*.

NOTE: *Defined benefit plans are subject to Minimum Funding Standards. The Minimum Funding Deadline for contributions is 8½ months after the plan year end. If Defined Benefit plans are adopted after 8½ months of the plan year end but before their tax return due date plus extension, an excise tax will be due for failure to meet minimum funding.*

Please have this information ready before you start...

- Address
- EIN
- Email Address
- Employer Name
- Plan Name
- Phone Number
- Trustee Information (*if applicable*)

The following must be completed to prepare your plan documents.

- Contact Information Form with Plan Design Questionnaire (PDQ) and
- Document Service Agreement (DSA) must be completed to prepare your plan documents.

Collectively, these forms comprise the Plan Establishment Kit. Once you have completed this kit, please return it to Ascensus using one of the following delivery methods.

Email employerdirect@ascensus.com

Regular Mail

Ascensus DCS Unit
P.O. Box 577
Fort Washington, PA 19034

Express or Overnight Mail

Ascensus DCS Unit
575 Pinetown Road #577
Fort Washington, PA 19034

If you have any questions, please contact the Ascensus Document Compliance Service Team at 866-604-7402.

Next Steps...

1. Ascensus receives the completed Plan Establishment Kit and reviews the documents for accuracy and complete information. **If additional information is required, Ascensus will contact you or your financial advisor. The Plan Establishment Kit is not your executed plan document.**
2. After all information is received, Ascensus will process and upload the pre-filled adoption agreement and trust and custodial agreement to our secure electronic signature website, Sertifi.
3. Once the adoption agreement and trust or custodial agreement (if applicable) are uploaded to Sertifi, the primary signer and any additional signers will receive invitation emails requesting they review and electronically sign the documents. The financial advisor listed on the Contact Information Form also receives an invitation email. The invitation emails will come from services@sertifi.com.
4. The electronically signed adoption agreement, trust and custodial agreement, and additional reference materials are the plan sponsor's executed plan documents. These documents can be printed or saved after all signatures are received.
5. The plan sponsor will also receive the following correspondence while establishing services:
 - A welcome email will be sent to the plan sponsor and financial advisor from Ascensus outlining services, contact information for Ascensus, and other helpful information. The welcome email will come from employerdirect@ascensus.com.
 - An invoice will be sent to the plan sponsor from our secure online payment management website, Billtrust. The invoice will contain the link, customer number, and enrollment token needed to create an account with Billtrust. The invoice will come from ascensus@billtrust.com and replies to this email address are not monitored.



Plan documents will not be processed if the Contact Information Form within the PDQ or DSA is incomplete, unsigned, or illegible.

Contact Information Form

Financial Organization Information

Employer Primary Account Number <i>(financial organization account number)</i> NOTE: Account number is not required to process the PEK.	
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Employer Information

(This person is typically the business owner who will sign as Adopting Employer on the Adoption Agreement and is able to make plan document changes.)

Employer Name ("Client", as listed in DSA) <i>Examples: "ABC Company, Inc." or "Jane Doe"</i>	
Plan Name ("Plan", as listed in DSA) <i>Examples: "ABC Company, Inc. Defined Benefit Plan" or "Jane Doe Profit Sharing Plan"</i>	
Legal Address of Employer <i>(P.O. Box is not accepted)</i>	
Mailing Address (if applicable)	
City, State, Zip	
Name of Primary Signer at Employer	
Title of Primary Signer	
Phone Number of Primary Signer	
Email Address of Primary Signer (Required)	

NOTE: Plans will not be enrolled in the Ascensus pre-approved plan document service without a valid primary signer email address. If the employer or plan name differs from the DSA we will default to the information input on the DSA.

Additional Plan Contact at Employer

(Optional. This person will not sign the adoption agreement.)

Name of Additional Plan Contact	
Phone Number	
Email Address	
Title of Additional Plan Contact	

By signing this PDQ, I authorize Ascensus to provide information or documentation related to the employer or the plan to the Additional Plan Contact at Employer listed above, upon their request. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Below in Part A, enter the individual's name who will be the plan's discretionary trustee (may not be Ascensus or any of its employees or representatives). A trustee must be named for the plan. If no Trustee is listed below, the primary signer will be listed as the Trustee for the plan.

Trustee

(The trustee may direct Ascensus to make plan document changes. This person will sign the adoption agreement.)

Part A. Trustee Information

NOTE: If you have more than one trustee for the plan, list additional trustees with their name, email, legal address (P.O. Box is not accepted), phone number, and title in the **Comments/Notes** section of this form.

Name of Trustee	
Email Address of Trustee (Required if trustee and primary signer are different individuals)	
Legal Address of Trustee <i>(P.O. Box is not accepted)</i>	
City, State, Zip	
Phone Number of Trustee	
Title of Trustee	

Part B. Limited Trustee (Complete if different than Trustee)

A limited trustee is appointed solely for the purposes of ensuring the timely collection and deposit of employer contributions. If no limited trustee is listed below, the individual trustee listed in Part A of this section will be deemed to be a limited trustee. A limited trustee cannot be a financial organization.

Name of Limited Trustee	
Email Address of Limited Trustee	
Legal Address (P.O. Box is not accepted)	
City, State, Zip	
Phone Number of Limited Trustee	
Title of Limited Trustee	

Financial Advisor Information

Financial Organization Name	
Name of Primary Financial Advisor	
Phone Number	
Email Address	

Secondary Financial Advisor
(Optional)

Name of Secondary Financial Advisor	
Phone Number	
Email Address	

By signing this PDQ, I authorize that Ascensus may provide information or documentation related to the employer or the plan to the financial advisor listed above according to Section 6.01 of the DSA. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Client Service Associate
(Optional)

Name of Client Service Associate	
Phone Number	
Email Address	

By signing this PDQ, I authorize Ascensus to provide information or documentation related to the employer or the plan to the financial advisor's client service associate listed above, upon their request. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Custodian
(if applicable)

A custodian is not required for your plan if you appointed a trustee in Part A, **Trustee Information**, above. To determine if a custodian applies to your plan, please work with your financial advisor. If a financial organization is listed as custodian, an individual from that organization must sign the adoption agreement. It is the employer's responsibility to secure the custodian's signature. If no custodian is indicated below, the adoption agreement will be prepared without one.

Financial Organization	
Name of Authorized Individual (Who will sign as custodian on the adoption agreement?)	
Email Address of Custodian	
Address	
City, State, Zip	
Phone Number of Custodian	
Title of Custodian	

Referred By
(Optional)

Please provide us with information about how you learned of our pre-approved plan document services.

- Financial Organization (name of financial organization) _____
- Financial Advisor _____
- Web
- Actuary
- Other (please list) _____

Solo Defined Benefit Plan Design Questionnaire

This Plan Design Questionnaire (PDQ) gathers information needed to prepare an Ascensus pre-approved plan document. Ascensus is the Pre-Approved Plan Document Provider for your qualified retirement plan. This is a simplified plan for owner-only businesses.

- Employer must complete the Contact Information Form, Owner-Only Defined Benefit PDQ, and Document Service Agreement (DSA).
- Once Ascensus receives the completed forms, Ascensus will prepare the pre-approved plan document based upon the information provided in the PDQ.
- Ascensus will post the drafted documents to a secure website and will provide the employer with an email detailing how to access the site to retrieve the plan documents. All correspondence in connection with this service is conducted electronically.
- Upon receipt of the documents, the employer must confirm that the elections in the adoption agreement are correct, then sign and date the adoption agreement and all applicable amendments. (Ascensus recommends that the employer consult with a legal or tax advisor to review all plan selections—including any provisions defaulted to those frequently selected by employers, as further described later in this PDQ. Once the adoption agreement is signed, provisions can be changed only by a formal plan amendment.)
- The employer must return a copy of the signature documents to Ascensus.
- The employer should retain the original adoption agreement, basic plan document, and all applicable plan amendments.
- Ascensus will provide future amendments to the pre-approved document through the secure website (whether the amendments are required by the IRS or requested by the employer).

Part I – Plan Design Information

1. Employer's Tax Year End (Month/Day) _____ / _____ (If no date is entered, your Tax Year End will be defaulted to December 31)

2. Type of Business Organization (**Required, select one only**)

- Sole Proprietorship Partnership Limited Liability Company Nonprofit
 C Corp S Corp Other _____

NOTE: Business organization definitions are available at www.irs.gov (keyword "Business Structures").

3. Employer Identification Number (EIN) _____ – _____ (**Required, must be employer's Tax ID number – not a Social Security number.**)

NOTES:

Ascensus requires that a plan EIN, not a Social Security number, be used for plan identification. If you do not have an EIN for your plan, you can easily obtain one at no cost by accessing the IRS EIN website at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.

The Internet EIN application is the preferred method for clients to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. The online application process is available for all entities whose principal business, office or agency, or legal residence (in the case of an individual), is located in the United States or U.S. Territories. The principal officer, general partner, grantor, owner, trustor, etc. must have a valid Taxpayer Identification Number (Social Security number, EIN, or Individual Taxpayer Identification Number) in order to use the online application.

Use IRS Form SS-4, Application for Employer Identification Number, to apply for an EIN. Form SS-4 is available at www.irs.gov (keyword "EIN").

4. Trust Identification Number (TIN) (**Required**) _____ – _____ (Assets held in a brokerage account require a TIN as an identifier for the account.)

NOTE: Only provide as needed. This is required if your plan assets will be held at a Trust. This is not the same as an EIN or SSN. Use IRS Form SS-4 application to apply for a TIN. Form SS-4 is available at www.irs.gov (keyword "Trust").

5. Internal Revenue Service (IRS) three-digit Plan Sequence Number (e.g., 001) _____ (If no number is entered, your Plan Sequence Number will be defaulted to "001")



If this is the first plan the employer has ever maintained, use 001. If this is a new qualified retirement plan, but not the employer's first qualified retirement plan, take the last plan sequence number used by the employer and add one. If this is a restatement or amendment of an existing plan, use the same plan sequence number on the prior adoption agreement or most recent Form 5500. This number, in conjunction with the EIN, is used by the IRS and DOL to identify the plan.

6. **Plan Effective Date – Required, the employer must select A or B (and C, if applicable).**

Indicate below if this is a new plan or a restatement or amendment to an existing plan. A new plan is typically a start-up plan with no assets (i.e., a plan not moving from another brokerage or investment firm). A restatement or amendment is a takeover plan with existing assets.

- A. **New Plan:** The plan's effective date is (Month/Day/Year) ____ / ____ / ____ (If option A is selected, and no date is provided, the effective date will be the first day of the first month of the employer's current tax year.)



Defined benefit plans are subject to Minimum Funding Standards. The Minimum Funding Deadline for contributions is 8½ months after the plan year end. If DB plans are adopted after 8½ months of the plan year end but before their tax return due date plus extension, an excise tax will be due for failure to meet minimum funding.

- B. **Restatement or Amendment:** The initial plan adoption was effective on (Month/Day/Year) ____ / ____ / ____ (If option B is selected, a date is required, this date can be found on a prior plan document)

The restatement or amendment effective date will be 15 days after Ascensus receives this PDQ, unless a later date is indicated (Month/Day/Year) ____ / ____ / ____

- C. **Frozen Plan:** Effective on (Month/Day/Year) ____ / ____ / ____ (If option C is selected, a date is required), this plan became a frozen plan. The employer will not make additional contributions to the plan after the date the plan was frozen.

NOTE: If the Frozen Plan box is checked and no date is provided, the adoption agreement will be drafted as a frozen plan with an effective date equal to the restatement or amendment effective date indicated above. If option C is selected, option A or B must also be selected.

Part II – Eligibility

7. **Age:** There is no age requirement to participate in the plan, unless an age is indicated below:

Age 18 Age 21 Other _____ (may not be greater than age 21)

8. **Service:** No years of eligibility service will be required to participate in the plan unless a different eligibility service requirement is indicated below:

1 year of Eligibility Service Other _____ (may not be greater than 2 years)

If Service is required for eligibility purposes the default is 1,000 hours to earn a year of service, and 500 hours is to avoid a break in service, unless selected differently below:

_____ Hours (not more than 1,000) for a year of service.

_____ Hours (not more than 500) to avoid a break in service.

9. **Eligibility Computation Period:** The computation period will shift to the plan year, unless selected below:

The 12-consecutive month periods commencing on the anniversaries of their Employer Commencement Date.
 Not applicable. No eligibility service is required.

Part III – Normal Retirement Benefit

The completion of this section requires careful consideration and precise calculations to ensure compliance with regulatory requirements and the accurate determination of benefits. It is strongly recommended that actuarial assistance be sought to complete the following

10. **Normal Retirement Benefit:** A Participant's Normal Retirement Benefit will be determined using the following formula (select and complete the following):

Flat Benefit. A Normal Retirement Benefit equal to \$ _____ or _____ % (complete only a dollar amount or percentage) of Average Annual Compensation. This benefit will be reduced pro rata for each Year of Credited Service that is less than _____ years (no less than 25).

Unit Credit.

Standard Unit Credit. A Normal Retirement Benefit equal to _____ % of Average Annual Compensation for each Year of Credited Service taken into account up to a maximum number of _____ years (no less than 25).

Tiered Unit Credit. A Normal Retirement Benefit equal to:

Tier 1 _____ % of Average Annual Compensation for the first _____ Years of Credited Service prior to _____ (specify date).

Tier 2 _____ % of Average Annual Compensation for the next _____ Years of Credited Service subsequent to _____ (specify date).

The maximum number of Years of Credited Service taken into account will be: _____

Part VI – Vesting

11. **Vesting Schedule for Employer Contributions:** Employer contributions will be immediately 100% vested, unless a vesting schedule is indicated below: contributions will vest according to the following schedule unless there is an eligibility requirement greater than one year, in which case 100% immediate vesting is required. (*select one*)

Years of Service	<input type="checkbox"/> Option 1	<input type="checkbox"/> Option 2	<input type="checkbox"/> Option 3	<input type="checkbox"/> Option 4 (<i>Complete if chosen</i>)
0	100%	0%	0%	_____ %
1	100%	0%	0%	_____ %
2	100%	0%	20%	_____ % (<i>not less than 20%</i>)
3	100%	100%	40%	_____ % (<i>not less than 40%</i>)
4	100%	100%	60%	_____ % (<i>not less than 60%</i>)
5	100%	100%	80%	_____ % (<i>not less than 80%</i>)
6	100%	100%	100%	100%

NOTE: *If no vesting option is selected, Option 1 will apply*

Part V – Distributions and Loans

12. Loans are not permitted from the plan, unless indicated.
 Yes, loans are permitted from the plan.

Part VI – Definitions

The completion of this section requires careful consideration and precise calculations to ensure compliance with regulatory requirements and the accurate determination of benefits. It is strongly recommended that actuarial assistance be sought to complete the following

13. **Actuarial Equivalent:** The pre-retirement and post-retirement interest rates will be 5%, unless selected below:
 The pre-retirement interest rate assumption will be _____ % (*specify a percentage*).
 The post-retirement interest rate assumption will be _____ % (*specify a percentage*).
14. **Pre-Entry Date Compensation for Benefit Accruals:** Compensation will be from Entry Date, unless selected below:
 Compensation for the full Determination Period.
15. **Early Retirement Age:** Early Retirement Age is not applicable under the Plan, unless selected below:
 Attainment of age _____ and completing _____ Years of Vesting Service (*Periods of Service, if applicable*).
16. **Normal Retirement Age:** Normal Retirement Age 62 will apply, unless selected below:
 Age _____ (*not less than 55 and not to exceed 65*).
 The later of age _____ (*not less than 55 and not to exceed 65*) or the _____ (*not to exceed fifth anniversary*) of participation in the plan.
17. **Credited Service:** The plan will include all years of service with the employer, unless selected below:
 The plan will exclude pre-participation service.
18. **Life Insurance:** Life Insurance will not be permitted under the plan unless selected below:
 Life Insurance Investments will be permitted.

Additional Comments/Notes

Use this section to provide any additional information that will assist us in preparing the plan document (*attach additional page(s) if necessary*). If you have more than one trustee for the plan, list additional trustees with their name, email, legal address (P.O. Box is not accepted), phone number, and title below.

Plan Design Highlights

In addition to the choices made on the prior pages, the following plan provisions will apply to your qualified plan. If you require any changes to the following assumptions, please contact Ascensus to discuss options available.

Eligibility

Eligibility Computation Period. The initial eligibility period is from the date of hire to the first anniversary of that date. Once that initial period is completed, if an employee has not met the plan's eligibility requirements the eligibility period will switch to the plan year.

Excludable Employees. Union employees and nonresident aliens are excluded from the plan. Acquired employees will be excluded during the transition period as applicable. All other employees of the adopting employer and employees of related employers will not be excluded from the plan.

Entry Dates. After meeting the plan's eligibility requirements, an employee may enter the plan on the first day of the plan year and the first day of the seventh month of the plan year (semi-annual entry dates).

Contributions

Accrual Conditions. An employee who is eligible to participate in the plan for at least one day of the plan year and is credited with at least the number of hours of service for benefit accrual purposes will earn a year of participation and be eligible for a benefit accrual.

Normal Retirement Benefit. The benefit formula specified in Section Three must provide Participants with a meaningful benefit within the meaning of Code Section 401(a)(26) and Treasury Regulation 1.401(a)(26)-3.

Rollover Contributions. An Employee may make Indirect Rollover and Direct Rollover contributions to the Plan from distribution made from plans described in Code sections 401(a), 403(a), 403(b), and 457(b) (if maintained by a government entity) unless an Employee is a member of an excluded class. Rollover contributions and earnings may be distributed at any time upon request.

Distributions and Loans

Distributable Events. A participant's full vested balance will be available for distribution when the participant terminates employment, incurs a disability, dies, attains normal retirement age or early retirement age (if elected in the plan), or upon plan termination. In-service distributions are also available as described below.

Forms of Distributions. A married participant's Accrued Benefit will be paid in the form of a Qualified Joint and Survivor Annuity, and an unmarried participant's Accrued Benefit will be paid in the form of a Single Life Annuity. A participant may request distributions in one or more of the following optional forms of benefit: 1) in a life annuity with term certain, 2) in a lump-sum payment, 3) in a non-recurring partial payment, or 4) in installment payments (a series of regularly scheduled recurring partial payments). For married participants, spousal consent is required.

In-Service Distributions. A participant who is not otherwise eligible to receive a distribution of their Accrued Benefit may elect to receive an in-service distribution of all or part of their Accrued Benefit when they attain the Normal Retirement Age or reach age 62.

Required Beginning Date. For purposes of determining when required minimum distributions must begin under the Plan, the required beginning date is the later of the April 1 of the calendar year following the calendar year in which a participant reaches age 73 (age 70½ if the participant attained age 70½ before 1/1/2020, and age 72 if the participant turned age 72 after 12/31/2019 but before 1/1/2023) or retires, except that distributions to a five-percent owner must begin by April 1 of the calendar year following the calendar year in which the participant reaches age 73 (age 70½ if the participant attained age 70½ before 1/1/2020, and age 72 if the participant turned age 72 after 12/31/2019 but before 1/1/2023).

Birth Date

June 30, 1949 or Earlier

July 1, 1949 through and including December 31, 1950

January 1, 1951 and Later

Age to begin RMDs

Age 70½

Age 72

Age 73

Other Plan-Provisions

Compensation. For accrued benefit purposes, compensation will be Average Annual Compensation, defined as the average of a Participant's Compensation during the Averaging Period that falls within the Participant's Compensation history. Average Annual Compensation will be determined based upon the Compensation history for the aggregate of all time periods of the Participant's service with the Employer, beginning on the Participant's date of entry or rehire and ending on the date a Break in Service begins. The averaging period will be the three-consecutive Plan Years during the Participant's service with the Employer that produces the highest Average Annual Compensation. The compensation for each individual year is defined as wages within the meaning of Code Section 3401(a), wages for withholding purposes. For any Self-Employed Individual covered under the Plan, Compensation will mean Earned Income.

Hours of Service. Hours of service will be determined based on the actual hours for which an employee is paid or entitled to payment.

Plan Year. The plan year end will coincide with the employer's tax year end.

Vesting: A participant who completes at least 1,000 Hours of Service will be credited with a year of vesting service.

Employer Agreement and Signature

1. I have read and understand the choices elected within this Owner-Only Defined Benefit Plan PDQ. The information provided in this PDQ and any ancillary information provided for the purposes of completing the plan documents are, to the best of my knowledge, correct and complete.
2. I understand that a defined benefit plan has minimum funding obligations. Failure to make required contributions can lead to consequences including IRS sanction and plan disqualification.
3. I represent that I am authorized to sign on behalf of the employer (e.g., President, Officer, or other person legally authorized to act on behalf of the entity that established or is establishing the plan).
4. I understand that Ascensus does not provide legal nor tax advice and I have consulted with my legal and tax advisors regarding the plan and the PDQ. If there is a prior plan document, I understand that I am responsible for ensuring that appropriate protected benefits are preserved as required by the Internal Revenue Code. I also understand that Ascensus has not reviewed the prior document.
5. I agree to receive all pre-approved plan document communication by email and to notify Ascensus of any change in email address. I understand that failure to notify Ascensus of any email address change may result in the plan not receiving required IRS restatements or amendments and can result in the disqualification of the plan by the IRS. I also acknowledge that Ascensus may provide information or documentation related to me, the employer, or the plan to the financial advisor listed above. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.
6. I understand that this PDQ is not an adoption agreement. Upon receipt of this PDQ, Ascensus will create an adoption agreement for my signature along with other materials, including the corresponding amendments and basic plan document. For a newly adopted plan, the adoption agreement and any applicable amendments must be signed by the end of the plan year in order to make a contribution for that plan year.
7. I understand that this PDQ must be submitted to Ascensus with a completed and signed DSA before my adoption agreement will be processed and delivered to me.
8. I understand that after the adoption agreement has been signed, future changes to plan provisions can be made only by a formal plan amendment.

Authorized Signature

Name

Date



Return the Contact Information Form, PDQ, and DSA to Ascensus using one of the following delivery methods.

Email employerdirect@ascensus.com

Regular Mail

Ascensus DCS Unit
P.O. Box 577
Fort Washington, PA 19034

Express or Overnight Mail

Ascensus DCS Unit
575 Pinetown Road #577
Fort Washington, PA 19034

Neither Ascensus nor any of its employees provide legal or tax advice. You must consult with your legal or tax advisor when making decisions about a retirement plan.