

Solo 401(K) Plan

Thank you for taking this step towards establishing a Solo 401(k) plan through PATA. To establish a plan there are some documents that need to be completed and signed. These documents are part of this package. If you should have any questions regarding this package please do not hesitate to contact PATA.

The Solo 401(k) plan is a simple plan to establish and administer. Solo 401(k) plans are aimed at small companies that employ no employees other than the principal and the spouse of the principal. They are also suitable for partnerships. Solo 401(k) plans are in fact full fledged 401(k) plans, they simply have been given some leeway when it comes to filing the annual tax form (form 5500) and are exempt from any type of non-discrimination testing. Those are the only differences between a Solo plan and a plan that has 99 employees. *Please be aware that once the plan's sponsor employs someone other than the owner, spouse of the owner, or a partner the plan will then be required to perform coverage and discrimination testing in addition to filing the regulatory form 5500 and schedules.*

The Solo 401(k) plan is different from other plans suitable for self-employed individuals. The key attraction to the Solo plan is the addition of a loan provision thanks to EGTRRA. The Solo also allows the participants to consolidate their retirement accounts by accepting rollovers from other qualified plans and IRAs.

To follow are the instructions explaining how to complete each page of this package. If you should have any questions at all regarding this package please do not hesitate to contact PATA either by phone or email. PATA prides itself on personal timely service.

I. **Certificate of Resolutions Adopting the Plan**

This document is kept in the plan's file and simply defines the intentions of you the employer establishing the plan. Each space labeled "Plan Sponsor" will be the name of your company.

II. **Plan & Sponsor Information**

This information is used to complete the plan's adoption agreement. The form has been designed with default choices regarding plan definitions. Please complete the form completely as all answers are needed to accurately establish the plan

III. **Designation of Beneficiary**

Each participant in the plan needs to complete a Designation of Beneficiary. Complete the form and return it to PATA

IV. Once this package is completed return it to PATA along with the one time set-up fee of \$350. PATA will complete all the necessary documents and forward them back to you *via* US Mail or E-mail. An important part of the processed package which is returned to you is the signature page of the adoption agreement. This page must be signed by all trustees of the plan and returned to PATA .

Document Usage Fee To use the document there is an annual document usage fee of \$150. This fee will be invoiced annually prior to the year the fee will be apply.

If this fee is not paid timely the right to use the document will be withdrawn and the plan will be out of compliance. In essence, the plan will cease to exist.

THE _____
(name of plan sponsor)

PROFIT SHARING 401(k) PLAN AND TRUST

(the "Plan")

CERTIFICATE OF RESOLUTIONS ADOPTING THE PLAN

The undersigned, the principal of (plan sponsor) _____

(hereinafter "the Employer"), hereby certifies that the following resolutions were duly adopted on this day of _____, 201__, and that such resolutions have not been modified or rescinded as of any date thereafter:

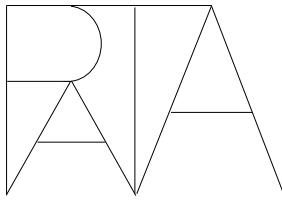
BE IT RESOLVED, that the form of a profit sharing 401(k) plan and trust effective January 1, 201____ presented to this meeting is hereby approved and adopted and that the proper representative(s) of the Employer is (are) hereby authorized and directed to execute the Adoption Agreement adopting the (name of plan sponsor) _____ Profit Sharing 401(k) Plan and Trust (The Plan).

BE IT FURTHER RESOLVED, that contributions for a plan year shall be determined and allocated by the Trustee in accordance with the Plan's provisions.

BE IT FURTHER RESOLVED, that contributions to be deducted for a fiscal year shall be made prior to the due date, including extensions hereof, of the Employer's federal income tax return for the fiscal year.

BE IT FURTHER RESOLVED, that the Employer shall act as soon as possible to notify the employees of the Employer of the adoption of The Plan by delivering to each employee a copy of these resolutions and/or of the summary description of the Plan presented to this meeting.

By: _____
(sign & date)



PENSION ADMINISTRATION and TRUST ACCOUNTING

Paypal Transaction ID: _____

Plan & Sponsor Information

Employer (Plan Sponsor): _____

Address: _____ Phone: (_____) _____

Address: _____ Email: _____

Address: _____ Entity Type: [] Sole Prop [] LLC [] S Corp [] C Corp

Plan Administrator: _____ (Owner/President)

Employer's Identification Number: _____

Plan Tax ID Number: I authorize PATA to apply for a Tax ID Number on behalf of this new plan: Yes [] No []*

* by answering No indicates that YOU will apply for the Tax ID Number yourself. NOTE: The plan needs it's own Tax ID Number

Plan Design Checklist

The **default** definitions are listed below and unless otherwise indicated the plan will be designed using these definitions. Additional options are following each definition.

PLEASE NOTE: By establishing a Solo 401(K) Plan you are in fact establishing a full-fledged 401(K) plan. This plan must be run according to the plan's document. In the future, should your business grow, resulting in the addition of additional employees, those additional employees must be included and allowed to participate in the plan if they meet the eligibility requirements adopted here in. If you are unsure what is meant by this statement, please do not hesitate to contact PATA for further clarification.

Participation

To be eligible to participate in the plan each employee must satisfy the age and service requirement. Once these requirements are met the newly eligible participant will enter the plan on the next entry date. Exception: the plan will be designed to include any employee who has met the age requirement and was employed as of the establishment of the plan.

Year of Service

A year of service is the completion of 1,000 hours of service within a twelve (12) consecutive month period. [] I choose not to require a year of service.

Age Requirement

To be eligible to participate in the plan you must be at least 21 years of age. [] I choose to change the age requirement to 18.

Entry Date

Once an employee meets the above requirements he/she will enter the plan using Semi-annual entry dates (1st day of the plan year and the 1st day of the 7th month of the plan year) [] I choose to make the entry date "immediate" upon satisfying the age and service requirements

Vesting

Vesting will be full and immediate. [] I choose to use a 2/20 top heavy vesting schedule.

Loans

The plan will allow for plan loans. [] I choose to not make loans available

Rollovers from other retirement plans/IRAs

Rollovers from other qualified plans and IRAs are permitted. [] I choose to not allow rollovers from other qualified retirement plans and IRAs.

Employer Contribution Formula

If the employer decides to make a non-elective employer contribution the contribution formula will be a straight discretionary formula with equal percentages based on each participants eligible compensation.

Trustees

It is recommended that two (2) trustees be chosen even if the plan is a one participant plan. Two trustees guard against the trust entering probate in the unlikely event the participant's untimely death or disability.

Trustee: _____ Trustee: _____

Agreement for Services to Establish Solo 401(k) Plan

I, the Plan Administrator, acknowledge by signing this agreement the responsibility associated with establishing and operating a qualified retirement plan. This Agreement shall not be construed to appoint PATA as a Plan Administrator or as a fiduciary of the Plan. This Agreement shall not be construed to delegate to PATA any obligation, responsibility or liability of the Plan Administrator or any other fiduciary of the Plan either expressly or under applicable law. PATA shall exercise no discretion regarding management or administration of the Plan, and shall provide only ministerial services as provided under this agreement. The obligations, responsibilities and liabilities of PATA shall be limited to those provided under this Agreement. In no event shall PATA be liable to the Plan Administrator or any other person or entity for payments of any fees, costs or expenses incurred for accounting, legal or other administrative services rendered in connection with the Plan

General Provisions.

- A. Except as required by law or on account of PATA's negligence or bad faith, PATA shall not be responsible for the terms or validity of the Plan or any federal or state tax liability which may be imposed upon the Employer, the Plan Administrator, the Trustees or any participant under or beneficiary of the Plan. The Plan Administrator shall indemnify, protect and hold PATA harmless of and from any losses, liabilities, claims and demands whatsoever, and expenses in connection therewith, including attorney's fees and court costs, which arise out of PATA's Services and which are not due to PATA's own negligence or bad faith.
- B. This Agreement is made in, and shall be construed, interpreted and enforced according to the laws of the State of Massachusetts.
- C. This Agreement supercedes any prior agreement between the parties hereto concerning the performance of any of the Services specified herein.
- D. The parties agree that all calculations required/requested to be made under this Agreement shall be performed under uniform rules and methods applicable to all qualified retirement plans for which PATA provides Services, and the Plan Administrator hereby adopts such rules and methods.

Company: _____

Address: _____

Address: _____

By: _____
Print

Sign/Date