

### **Consult With Your Attorney**

Carefully read the enclosed information. Please consult with your attorney or tax advisor if you are thinking about starting your own trust.

### **How Do I Establish a Plan and Who Can Use This Trust?**

An Individual 401(k) Plan ("plan") is designed for businesses that employ owners, including partners, and their spouses. If you do not have a plan document in place, you should contact your attorney or third-party administrator to help you establish your plan documents. If you employ anyone other than your spouse, or partners and their spouses, you cannot use this Equity Trust Company Trust Agreement. You must ensure that your current plan document has been updated for all applicable regulatory changes before effecting this packet. If your current plan has not yet been updated, you cannot use this packet. Contact a representative at 800-209-9010 for assistance.

### **What is Required of an Employer to Establish This Plan?**

When you decide to start your individual 401(k) ("plan"), complete the:

- Equity Trust Company Trust Agreement;
- Qualified Plan Participant Information Form;
- Equity Trust Company will also require a copy of the Adoption Agreement and Basic Plan Document which reflects the terms of your plan.

If you would like for Equity Trust Company to serve as Third Party Administrator, please execute the Service Agreement for Individual 401(k) Plans packet.

Forward the above executed documents and any required payment to your brokerage firm for delivery to Equity Trust for review and approval. If accepted, Equity Trust will execute the Trust Agreement and return a copy to you for your records.

*Note: Paying by check authorizes Equity Trust Company to send the information from your check electronically to your bank for payment. You will not receive your original check back from your financial institution. For security reasons we will destroy your original check, but we will keep an electronic image of the check for recordkeeping purposes.*

### **Employers Administration Guide**

#### **Initial requirements**

##### **Plan Qualification/Third Party Administrator Requirement**

*Note: Only a business owner, including partners (described above), and spouse(s) may use this plan packet and the Equity Trust Company Trust Agreement. If you have other employees who are eligible or will become eligible in the future, you cannot use this plan packet.*

Unless you select Equity Trust Company to serve as Third Party Administrator by filling out and executing the necessary Service Agreement packet for TPA services, you hereby represent that you have retained a Third Party Administrator to maintain plan documents and perform tax reporting for the plan.

#### **Annual Requirements**

##### **Internal Revenue Service (IRS) Form 5500-EZ**

Plans covering only a Business Owner, partners, and spouse(s) are responsible for filing a Form 5500-EZ series Annual Report with the Internal Revenue Service each year. Plans that have no more than \$250,000 in total plan assets at the end of the plan year are exempt from the 5500-EZ Annual Reporting for that year if they meet certain other conditions. If appointed as the Third Party Administrator, Equity Trust will assist with preparation of Form 5500-EZ. Otherwise, you should contact your Third Party Administrator regarding this requirement. Equity Trust will prepare all IRS Form 1099-Rs.

#### **Establishing Employee Accounts**

By law, all eligible owners and/or spouses must be notified about their eligibility to participate in this Plan. Individual accounts for each owner and/or spouse should be opened with the investment firm designated by that individual on the Qualified Plan Participant Information Form. The brokerage firm must have a service agreement with Equity Trust.

The accounts should be titled as follows (including Equity Trust's Tax ID Number: 05-0552743):

Equity Trust Company, TTEE

(Name of Employer), Individual 401(k) Plan

FBO: Name of Employee

If Equity Trust serves as the Third Party Administrator, a monthly investment firm statement must be sent to Equity Trust from the brokerage firm to enable Equity Trust to perform necessary tax reporting.

#### **Mailing Instructions**

You will send all documents and fees directly to your brokerage firm. If you do have documents for Equity Trust Company those documents should be forwarded to Equity Trust at the following applicable address:

If sent First Class, address to:

Equity Trust Company

Attn: DTS  
P.O. Box 45274  
Westlake, OH 44145

If sent by a courier service, address to:

Equity Trust Company  
Attn: DTS  
1 Equity Way  
Westlake, OH 44145

### ***Funding Your Plan Contributions***

You can defer a portion of your salary each year. If you are age 50 or older, you can elect to defer an additional catch-up contribution.

Year	Standard	Catch-Up
2022	\$20,500	\$6,500

If you decide to make a discretionary Profit Sharing contribution to your plan, you may be required to adopt a resolution by the earlier of your fiscal year end or the plan year end to specify the amount of contributions to be made to the Plan for that year.

Total contributions cannot exceed the lesser of 100% of participant compensation ("earned income" if self-employed) or \$61,000, for 2022, per participant (not including special catch-up contributions available to individuals age 50 or older).

Please see <https://www.irs.gov/retirement-plans/one-participant-401k-plans>, for updated amounts.

### ***Contributions and Investments***

Checks must be made payable using the titling described above and should be delivered to the brokerage firm for deposit to the plan. You must provide investment directions directly to the brokerage firm. Investment confirmations will be sent to the employer and/or participant(s) and the trustee by the brokerage firm. When plan contributions are made, allocations to each eligible participant's self-directed account are required.

It is the responsibility of the owners and/or partners and spouses to direct the investment of their contributions. Equity Trust does not provide investment advice or endorse any investment vehicle that the owners and/or partners and spouses select. Equity Trust is not responsible for the performance of Plan investments, nor does Equity Trust supervise or control the activities of the investment advisor chosen by the Employer and/or partners and spouses.

### ***Transferring an Existing Account***

The Qualified Plan Transfer-In Authorization Form must be completed and forwarded to your brokerage firm. You may contact your brokerage firm for a copy or download one from our website ([www.trustetc.com](http://www.trustetc.com)). Please make sure that you list all assets and attach the most current statement supporting those assets.

### ***Ongoing Administration***

The Employer is the Plan Administrator. Your plan is governed by the selections you choose in the Adoption Agreement, by the terms of the Plan Document, and the rules outlined by the Employee Retirement Income Security Act of 1974 (ERISA), the Department of Labor (DOL), and the Internal Revenue Service (IRS). Under no circumstances shall Equity Trust serve as the Plan Administrator.