



PENSION STRATEGIES

QUALIFIED PLAN DESIGN & ADMINISTRATION

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Upcoming Deadlines

October 15th
Form 5500 Filing
Deadline for
calendar year
plans (on
extension)

4th Quarter
Review your
contribution goals for
the year. Plan now so
there is plenty of time
to make changes.



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Strategic Update

Ideas, news and tips from Pension Strategies

October 2012

Where Do I Deduct?

Pension & Profit Sharing Plan Contributions

Determining what section of the Federal Tax Form to use for qualified retirement plan deductions can be confusing. Corporate sponsored plans are fairly straight forward, but with income flow through entities the answer can be complex.

The following table provides a simple reference for deductions based on the type of sponsoring entity. For more specific information or to discuss your plan requirements, contact Pension Strategies.

| Federal Form | Owner-Employee Contribution Share | Non Owner-Employee Contribution Share |
|---------------------------|--|--|
| Form 1040, Schedule - C | <ul style="list-style-type: none"> Page 1, line 28 of Form 1040 Self-employed SEP, SIMPLE, and qualified plans | <ul style="list-style-type: none"> Form 1040, Schedule-C, line 19 Pension and profit-sharing plans |
| Form 1065, Partnerships | <ul style="list-style-type: none"> Page 1, line 28 of Form 1040 Self-employed SEP, SIMPLE, and qualified plans | <ul style="list-style-type: none"> Form 1065, page 1, line 18 Retirement Plans, etc. |
| Form 1120, Corporations | <ul style="list-style-type: none"> Page 1, line 23 Pension, profit-sharing, etc., plans | <ul style="list-style-type: none"> Page 1, line 23 Pension, profit-sharing, etc., plans |
| Form 1120-S, Corporations | <ul style="list-style-type: none"> Page 1, line 17 Pension, profit-sharing, etc., plans | <ul style="list-style-type: none"> Page 1, line 17 Pension profit-sharing, etc., plans |

References are to line numbers in the 2011 federal income tax forms.



Alert: 401(K) Deposit Deadlines

The Department of Labor requires employers to make timely deposits to employee 401(k) plans. If not, the plan must calculate lost earnings on the late deposit, file an excise tax return and pay excise tax.

Although the definition of "timely" is a little murky, we recommend your deposits be made at the same time your payroll tax deposit is made. This is usually within a day or two of payroll. **Pension Strategies** can assist you in speeding up your deposit processes or answer any questions related to compliance.

Pension Strategies News



Pension Strategies believes in giving back to the community. We do several community projects throughout the year. In this photo past and present employees and families have just finished painting and cleaning at our annual Homeward Bound rehab project.

Please let us know if you would like us to address any topics in upcoming issues of Strategic Update. We're here to be your best resource in the Retirement Planning industry.

Sincerely,
Jack Lawless, CPA, APM
Pam Johnson, QPA, CPC
Jill Hastings, JD
Maurice D. Gordon, EA, MS, PA
And the entire Pension Strategies team