**SMALL BUSINESS INFORMATION SHEET**

Complete Name of Owner/Member: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Social Security Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Complete Name of 2nd Owner/Member: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of LLC: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address for LLC: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Type of Business: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Succession (how you want the company to pass/estate plan):

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Simplified employee pension (SEP)**

Contribute as much as 25% of your net earnings from self-employment (not including contributions for yourself), up to $69,000 for 2024.

Establish the plan with a simple one-page form:

Complete

Form 5305-SEP, Simplified Employee Pension - Individual Retirement Accounts Contribution Agreement PDF, or an IRS-approved “prototype SEP plan” offered by many mutual funds, banks and other financial institutions, and by plan administration companies; and Open a SEP-IRA through a bank or other financial institution.

Set up the SEP plan for a year as late as the due date (including extensions) of your income tax return for that year.

https://www.irs.gov/pub/irs-pdf/f5305sep.pdf

**Limited Liability Company**

* LLCs can have an unlimited number of members
* Non-U.S. citizens and residents can be members of LLCs
* LLCs can have multiple classes of ownership interests
* Have to pay self-employment tax
  + Unless S-Corp tax election is made
  + An owner of an entity taxed as an S corporation who works for the business is considered an employee.
  + With an entity taxed as an S corporation, only the wages paid to its owner/employees are earned income subject to FICA tax for Social Security and Medicare. Other net earnings that pass through to the owners are considered dividend income. This means those payments are not subject to SECA tax — provided the owner materially participates in the business — and they are not considered passive income.
* Flexible management structure

**S-Corp**

* Restrictions on who can be a shareholder
* Limited to 100 shareholders
* Only one class of stock
* Taxed as pass-through entities, meaning profits and losses are passed through to the shareholders' personal tax returns
* Board of Directors and reporting requirements

**Components of Operating Agreement (LLC)**

1. FORMATION OF COMPANY

1.1 Organization.

1.2 Operating Agreement.

2. THE COMPANY

2.1 Name.

2.2 Principal Office.

2.3 Statutory Agent.

2.4 Purpose.

3. TERM

4. CAPITAL

4.1 Capital Contributions

4.2 Other Additional Contributions.

4.3 Interest and Return of Capital Contributions.

5. MEMBERSHIP INTERESTS.

5.1 Additional Members.

6. DISTRIBUTIONS TO MEMBERS.

7. TAX PROVISIONS.

7.4 Tax Matters

8. MANAGEMENT.

8.2 Designated Manager.

8.3 Exclusive Authority.

8.3.1 Acquisition and Disposition of Property.

8.3.2 Reasonable Expenditures.

8.3.3 Additional Capital Calls

8.3.4 Borrowing and Lending.

8.3.5 Employees and Other Personnel.

8.3.6 Distributions.

9. INSURANCE INDEMNIFICATION.

9.1 Insurance.

9.2 Limited Liability.

9.3 Indemnification.

10. BANKING.

11. ACCOUNTING.

12. TRANSFERS OF MEMBERSHIP INTEREST.

12.1 Transfer Restrictions.

12.1.4 Death of Member.

12.2 Transfer Requirements

13. TERMINATION OF THE COMPANY.

13.1 Termination Events.

14. OTHER ACTIVITIES.

16. GENERAL PROVISIONS.

16.1 Liability of Members.

16.2 Representation and Warranties.

16.3 No Partnership Intended for Nontax Purposes.

16.4 Amendments.

16.5 Severability.

16.6 Governing Law.

16.7 Binding Effect.