

Safe Harbor 401(k) Plan



PLAN ADVANTAGES

- Simplified plan administration
- Various non-discrimination tests are automatically satisfied when requirements are met
- Not dependent on non-HCE participation for HCEs to make maximum pre-tax deferrals

To simplify your plan administration, you can choose a Safe Harbor 401(k) plan.

This type of plan requires that fully vested employer contributions be made to employees, but the plan will automatically satisfy certain non-discrimination tests when the requirements are met. A Safe Harbor 401(k) is also not dependent on non-HCE (non-highly compensated employee) deferral rates in order for highly compensated employees (HCEs), to make maximum pre-tax deferrals.

There are two options for making traditional Safe Harbor employer contributions:

1. Safe Harbor Matching Contributions

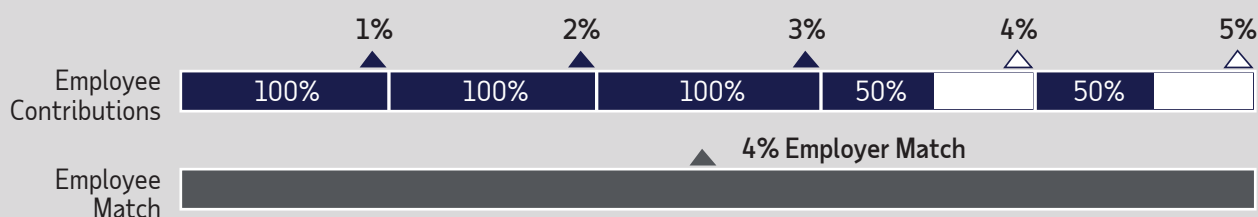
- A matching contribution of 100% of the first 3% of compensation deferred and 50% of the next 2% deferred, up to 5%, for all participants who contribute to the plan.

2. Safe Harbor Non-Elective Contribution (NEC)

- A Definite Safe Harbor NEC of not less than 3% of compensation for all employees who meet eligibility requirements.
- A Potential Safe Harbor NEC allows you to wait until later in the plan year to commit to a 3% nonelective contribution for that plan year. You may wait to decide to adopt a Safe Harbor NEC until the end of the following plan year if you make a 4% nonelective contribution for the previous plan year.

→ Example: Traditional Safe Harbor Matching Contribution

When employees defer 5% of their pay, as an employer you are only matching 4% of their contributions.



Matching contributions are subject to plan vesting requirements. Descriptions of plan features and benefits are subject to the plan document.

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