

Conference Line

- PLEASE CALL:
 - **800-239-9838 or 913-312-1299**
 - You will be asked for your first and last name and your email address.
 - The passcode is: **4746494**
 - You will be put on hold until the presentation begins.

ftwilliam.com

Safe Harbor 401(k) Plan Webinar
September 26, 2012

Presented By:

Christian Hofstadter– Writer/Analyst, ftwilliam.com



Wolters Kluwer
Law & Business

Agenda

- Overview of the purpose of the 401(k)/401(m) safe harbor
- Overview of the safe harbor requirements
- How to design a safe harbor plan on ftwilliam.com's documents
- Discussion on allocation conditions on matching contributions in a safe harbor plan

Questions during webinar

- If you have any questions during the webinar, please send them in using the Q&A option on your toolbar. We will gather questions and post them with answers on our website in the near future.
- Please also feel free to email support@ftwilliam.com or call 800.596.0714



Safe Harbor 401(k) Plans

ftwilliam.com



Wolters Kluwer
Law & Business

Why would we want to design our 401(k) as a safe harbor plan?

- Exemption from ADP testing
 - ADP testing compares average deferral rates of NHCs to average deferral rates of HCEs
- Exemption from ACP testing (if applicable)
 - ACP testing compares average contribution rates of NHCs to average contribution rates of HCEs
- May automatically satisfy top heavy requirements under certain circumstances (if applicable)
 - A plan is top heavy when more than 60% of the plan's benefits are attributable to "key employees"

ADP Safe Harbor

ADP Safe Harbor

- The Internal Revenue Code provides two alternatives to satisfying the ADP safe harbor:
 - Section 401(k)(12) Option: “Traditional” Safe Harbor
 - Section 401(k)(13) Option: Qualified Automatic Contribution Arrangement (“QACA”) Safe Harbor

“Traditional” Safe Harbor – Contribution Requirement

- A safe harbor matching contribution or a safe harbor nonelective contribution must be contributed by the employer.

“Traditional” Safe Harbor – Safe Harbor Matching Contribution Formula

- Basic Safe Harbor Matching Formula:
 - 100% match on first 3% of compensation deferred; plus
 - 50% match on the next 2% of compensation deferred

“Traditional” Safe Harbor – Safe Harbor Matching Contribution Formula

- Enhanced Safe Harbor Matching Formula:
 - If an employer would prefer to use a formula other than the basic safe harbor formula, he or she may do so as long as:
 - (1) the employer’s formula does not provide a matching contribution at a rate that is less than the rate contributed at each tier of the basic formula;
 - (2) the formula does not provide for a higher level of match for any HCE than is provided for any NHCE who contributes at the same deferral rate as the HCE; and
 - (3) the rate of match does not increase as the rate of deferral increases

“Traditional” Safe Harbor – Safe Harbor Matching Contribution

- Example: Employer A would like to provide a 100% safe harbor matching contribution on the first 2% of compensation that is deferred by participants, and a 75% safe harbor matching contribution on the next 3% of deferred compensation.
- This formula would not satisfy the enhanced safe harbor requirement because it potentially provides benefits that are less valuable than the benefits that would be provided under the basic safe harbor matching formula. For example, participants who defer 3% under this formula would receive a smaller matching contribution than participants who defer 3% in a plan using the basic formula.

“Traditional” Safe Harbor – Safe Harbor Matching Contribution

- Example: Employer B would like to provide a 100% safe harbor matching contribution on up to 4% of compensation deferred by the plan’s participants.
- This formula would satisfy the enhanced safe harbor requirement.

“Traditional” Safe Harbor – Safe Harbor Nonelective Contribution Formula

- The employer must provide a nonelective contribution that equals at least 3% of the participant’s compensation.
- A contribution greater than 3% is also permissible.

“Traditional” Safe Harbor – Vesting Requirement

- Safe harbor contributions under the “traditional” safe harbor must be 100% vested immediately.
 - Note that the IRS has stated that forfeitures may generally not be used to fund safe harbor contributions that must be 100% vested immediately.
- The ftwilliam.com document automatically provides for 100% immediate vesting for ADP safe harbor contributions.

ACP Safe Harbor

ACP Safe Harbor

- The plan must satisfy the ADP safe harbor
- Matching contributions may not be made on deferrals in excess of 6% of compensation
- Matching contributions may be subject to vesting
- The matching contributions may not increase as the rate of deferrals increases
- Matching contributions for HCEs at any rate of deferral or contribution may not be greater than matching contributions made to NHCs who contribute elective deferrals or other contributions at that same rate.
- In order to satisfy the ACP safe harbor, NO allocation conditions may be placed on matching contributions (e.g., last day requirement, hours requirement, etc.)

ACP Safe Harbor

- Discretionary matching contributions are also eligible to fall under the ACP safe harbor.
- In order to comply with the ACP safe harbor, discretionary matching contributions for a plan year may not exceed 4% of compensation

Annual Safe Harbor Notice Requirement

Annual Safe Harbor Notice Contents – All Safe Harbor Plans

- A safe harbor notice must provide the following information:
 - The safe harbor formula used in the plan for matching or nonelective contributions
 - Any other contributions that may be made under the plan. If the plan provides for discretionary contributions, then the notice must note the potential for discretionary contributions.
 - The plan to which the safe harbor contributions will be made
 - The amount and type of compensation that may be deferred
 - Vesting provisions of the plan
 - Withdrawal provisions of the plan
 - The method by which a participant may make deferral elections
 - Guidance on how to obtain further information about the plan.

Annual Safe Harbor Notice – Timing Requirement

- The annual safe harbor notice must be provided to employees within a “reasonable time” prior to the first day of the plan year.
- The IRS has provided that a “reasonable time” prior to the first day of the plan year is generally considered to be between 30 and 90 days prior to the first day of the plan year.

Annual Safe Harbor Notice – Timing Requirement

- Employers may provide newly eligible employees with a safe harbor notice up to the employee's date of eligibility. Such notice may not be provided earlier than 90 days prior to the employee's date of eligibility.
- Notice for new plans may be provided up to the first day of the first plan year of a new safe harbor 401(k) plan.
- Notice for existing 401(k) plans that convert into a safe harbor 401(k) plan must be given 30 to 90 days prior to the first day of the plan year that such conversion is effective .

Common Safe Harbor Questions

When must safe harbor contributions be made?

- Safe harbor contributions must be made no later than 12 months after the end of the plan year
 - If the employer would like safe harbor contributions to be deductible for the year to which such contributions apply, then the safe harbor contribution must be made by the due date of the employer's federal income tax filing for that year
- If safe harbor matching contributions are being made on a payroll period basis, then contributions must be made no later than the last day of the next plan year quarter

What is the definition of compensation for safe harbor purposes?

- For safe harbor purposes, the definition of compensation must satisfy Code section 414(s)
- In the ftwilliam.com documents, the definition of “Compensation” is used for purposes of determining allocations, including safe harbor allocations (See Section A.15 to A.22 of the checklist)
- Note:
 - “Testing Compensation” in the ftwilliam.com document is generally only used for Code section 415 limit testing and for top heavy purposes
 - “Section 414(s) Compensation” in the ftwilliam.com document is generally only used for nondiscrimination testing purposes.

What about the “Wait and See” safe harbor approach?

- Plans using the “wait and see” approach may determine whether to provide safe harbor nonelective contributions on a year-by-year basis.
- The plan must be amended to comply with the safe harbor requirements no later than 30 days prior to the last day of the applicable plan year.
- A safe harbor notice must be provided to employees each year. The ftwilliam.com Annual Notice provides that the plan may be amended in order to provide safe harbor contributions.
- If the employer decides to amend the plan to provide for nonelective safe harbor contributions for a particular plan year, then a follow-up notice alerting participants to that fact must be provided 30 days before the last day of the applicable plan year.

What are the basic requirements for top heavy safe harbor plans to be exempt from top heavy requirements?

- A safe harbor plan will be deemed to not be top heavy if:
 - The plan only includes a safe harbor 401(k) arrangement; and
 - All matching contributions provided under the plan satisfy the ACP safe harbor requirements.

I would like to amend my 401(k) plan to be a safe harbor 401(k) plan starting next year. When must the amendment be adopted?

- In order to be exempt from ADP/ACP testing for a plan year, the plan must be amended for safe harbor purposes prior to the first day of that plan year.

I'd like to make a mid-year amendment to my safe harbor 401(k) plan to add (or remove) a new feature. Is this allowable?

- The IRS has taken the position that this is generally only allowable for amendments that:
 - Implement a Roth 401(k) feature; or
 - Expand the hardship withdrawal rules to reflect certain changes made by PPA 2006

What if I want to reduce or suspend safe harbor contributions for the current plan year?

- Safe harbor matching or nonelective contributions may be reduced/suspended for a plan year, as long as certain conditions are met.
- If an employer chooses to reduce/suspend safe harbor contributions for a plan year, then the plan will be subject to ADP/ACP testing for that year.

What if I want to reduce or suspend safe harbor contributions for the current plan year?

- Safe Harbor Matching Contributions
 - A supplemental notice must be given to all eligible employees explaining the effect of the amendment which reduces/suspends the safe harbor matching contributions, the amendment's effective date, and information on how a participant may change his or her deferral election. Notice must be provided at least 30 days prior to the effective date of the reduction/suspension.
 - Participants must be given a reasonable opportunity to change their deferral elections before the reduction/suspension goes into effect.
 - The plan must be amended to reflect the reduction/suspension of the safe harbor matching contributions, and that the plan will be subject to ADP/ACP testing for that entire plan year. Model amendments are available on the ftwilliam.com website under "Other Documents" on the "Print Plan Documents Screen".

What if I want to reduce or suspend safe harbor contributions for the current plan year?

- Safe Harbor Nonelective Contribution
 - In order to reduce/suspend nonelective safe harbor contributions, the requirements for reducing/suspending safe harbor matching contributions must be met AND the employer must experience a substantial business hardship.
 - Factors taken into account in determining whether a business hardship exists include whether or not:
 - The employer is operating at an economic loss;
 - There is substantial unemployment/underemployment in the trade or business and in the industry concerned;
 - Sales and profits of the industry concerned are depressed or declining; and
 - It is reasonable to expect that the plan will be continued only if the amendment is adopted.

What if I want to reduce or suspend safe harbor contributions for the current plan year?

- Effect of Reducing/Suspending Safe Harbor Contributions:
 - Employer must fund safe harbor matching contributions up until effective date of amendment.
 - Employer must fund safe harbor nonelective contributions taking compensation into account up until effective date of amendment.
 - If the plan is top heavy, the plan may no longer rely on the safe harbor top heavy exemption.

How do short plan years of new or amended plans affect safe harbor plans?

- In order to rely on the ADP safe harbor for a particular plan year, that plan year must be at least 12 months in length.
- However, the following exceptions apply to this rule for certain short plan years:
 - If a new plan's first year is at least 3 months long, then the ADP safe harbor may apply to that short plan year.
 - If a plan amendment results in a short plan year, then the plan may be considered to be a safe harbor plan for that short plan year if the plan satisfied the safe harbor rules for the plan year immediately preceding the short plan year AND the plan year immediately following the short plan year.

How do short plan years of terminating plans affect safe harbor plans?

- For short plan years created by the termination of a safe harbor plan, the plan sponsor may operate the plan during its final year in one of the following manners:
 - Cease safe harbor contributions as of the date of termination and apply ADP/ACP tests to the plan for its final year using the current year testing method; or
 - The plan may continue to be a safe harbor plan for the final plan year if the safe harbor requirements are met through the date of termination, and:
 - The plan's termination is in connection with certain business transactions described in Code section 410(b)(6)(C) (e.g., change in employer's related group), OR
 - The employer incurs a substantial business hardship, as described by Code section 412(c)(2).

Designing a Safe Harbor Plan on ftwilliam.com's Documents

First Elect to Allow Matching Contributions if Safe Harbor Match is Used

A. Plan Features

10a. Elective Deferrals are permitted (Section 4.01):	Yes ▾ ??
10b. If A.10a is "Yes" (Elective Deferrals allowed), enter effective date of final 401(k)-(m) regulations:	January 1, 2006 ??
10c. If A.10a is "Yes" (Elective Deferrals allowed), Roth Elective Deferrals are permitted:	Yes ▾ ??
10d. If A.10a is "Yes" (Elective Deferrals allowed) and A.10c is "Yes" (Roth Elective Deferrals permitted), enter the effective date for Roth Elective Deferrals:	January 1, 2006 ??
11. Voluntary (after-tax) Contributions are permitted (If "No", questions regarding Voluntary Contributions are disregarded):	No ▾ ??
12. Matching Contributions are permitted (If "No", questions regarding Matching Contributions are disregarded):	Yes ▾ ??
13. Profit Sharing Contributions are permitted (If "No", questions regarding Profit Sharing Contributions are disregarded):	Yes ▾ ??
14a. The effective date of all of the Plan features specified in A.10a , A.11 , A.12 and A.13 is the date specified in A.3 :	Yes ▾ ??
14b. If A.14a is "No", specify the special effective date(s) and the provisions to which it/they apply:	??
14c.i. Indicate whether a previous amendment eliminated one of the features specified in A.10 - A.13 :	No ▾ ??
14c.ii. If A.14c.i is "Yes", specify the provisions that apply to the eliminated features:	??

[Return](#) [Update](#)

Select Type of Safe Harbor

C. ADP/ACP Safe Harbor

1a. Is this a safe-harbor plan exempt from most testing?

1b. If C.1 is not "No", indicate the safe harbors the Plan is intended to satisfy:

1c. If C.1a is "QACA", enter the amount of the election for the initial period as percentage of Compensation (3 -> 10):

1d. If C.1a is "QACA", enter the amount of the election for the first year after the initial period as a percentage of Compensation (4 -> 10):

1e. If C.1a is "QACA", enter the amount of the election for the second year after the initial period as a percentage of Compensation (5 -> 10):

Yes - nonelective contribution

No

Yes - safe harbor match

Yes - nonelective contribution

Yes - nonelective contribution with follow-up notice

Yes - QACA safe harbor match

Yes - QACA nonelective contribution

Yes - to another plan

0

??



EXAMPLE #1 – Basic Traditional Safe Harbor Formula

- Formula:
 - 100% match on the first 3% of compensation deferred; and
 - 50% match on the next 2% of compensation deferred.

EXAMPLE #1 – Basic Traditional Safe Harbor Matching Formula

C. ADP/ACP Safe Harbor

1a. Is this a safe-harbor plan exempt from most testing?

Yes - safe harbor match

1b. If C.1 is not "No", indicate the safe harbors the Plan is intended to satisfy:

ADP and ACP ▾ ??

1c. If C.1a is "QACA", enter the amount of the election for the initial period as percentage of Compensation (3 -> 10):

0 ??

1d. If C.1a is "QACA", enter the amount of the election for the first year after the initial period as a percentage of Compensation (4 -> 10):

0 ??

1e. If C.1a is "QACA", enter the amount of the election for the second year after the initial period as a percentage of Compensation (5 -> 10):

0 ??

1f. If C.1a is "QACA", enter the amount of the election for the third and subsequent years after the initial period as a percentage of Compensation (6 -> 10):

0 ??

1g. If C.1a is "QACA", indicate whether the arrangement will apply to Participants who had Elective Deferral elections in effect prior to the effective date of the QACA:

Yes ▾ ??

2. If C.1 is not "No", enter effective date of safe harbor provisions:

as of the Effective Date ??

3. If C.1 is "to another plan", name of other plan to which safe harbor contributions are made:

4a. If C.1 is "nonelective", safe harbor nonelective contributions will be made on behalf of:

All Participants

4a.vi. If C.4a is "Participants meeting other age and service requirements" describe the age and service requirements (include entry date information):

??

4b. If C.1 is "nonelective", and C.4a is "All Participants", require service for Highly Compensated Employees to receive safe harbor nonelective contribution:

No ▾ ??

4c. If C.1 is "nonelective", C.4a is "All Participants", and C.4b is "Yes", Hours of Service required in the Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution (1000 maximum without commas):

1000 ??

4d. If C.1 is "nonelective" and C.4a is "All Participants", require employment on last day of Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution:

No ▾ ??

Return

Update

EXAMPLE #1 – Basic Traditional Safe Harbor Matching Formula

C. Matching - Formula

25. Matching Contribution formula:

26a. If C.25 is "Single rate" or "Two rates", rate of Matching Contributions (without % sign):

26b. If C.25 is "Single rate" or "Two rates", maximum amount of Employee contributions matched on single rate or first rate (without % sign)

26c. If C.25 is "Two rates", rate of Matching Contributions on second rate (without % sign):

26d. If C.25 is "Two rates", maximum amount of Employee contributions matched on second rate (without % sign):

26e.i. If C.25 is "Single rate" or "Two rates", will any further tiered Matching Contributions to be made in addition to those described in **C.26a through C.26d**:

26e.ii. If C.25 is "Single rate" or "Two rates", and C.26e.i is "Yes", describe any further tiered Matching Contributions:

26f. If C.25 is "Single rate" or "Two rates", permit the Board to provide for Matching Contributions to be made in addition to the foregoing:

Two rates ??

100 ??

3 ??

50 ??

5 ??

No ??

Yes ??

EXAMPLE #1 – Basic Traditional Safe Harbor Matching Formula

- What if I want to provide a basic safe harbor matching contribution formula in the plan AND allow for discretionary matching contributions that are subject to vesting on top of the safe harbor contributions?

EXAMPLE #1 – Basic Traditional Safe Harbor Matching Formula

C. Matching - Formula

25. Matching Contribution formula:

26a. If C.25 is "Single rate" or "Two rates", rate of Matching Contributions (without % sign):

26b. If C.25 is "Single rate" or "Two rates", maximum amount of Employee contributions matched on single rate or first rate (without % sign)

26c. If C.25 is "Two rates", rate of Matching Contributions on second rate (without % sign):

26d. If C.25 is "Two rates", maximum amount of Employee contributions matched on second rate (without % sign):

26e.i. If C.25 is "Single rate" or "Two rates", will any further tiered Matching Contributions to be made in addition to those described in **C.26a through C.26d**:

26e.ii. If C.25 is "Single rate" or "Two rates", and C.26e.i is "Yes", describe any further tiered Matching Contributions:

26f. If C.25 is "Single rate" or "Two rates", permit the Board to provide for Matching Contributions to be made in addition to the foregoing:

Two rates ??

100 ??

3 ??

50 ??

5 ??

No ??

Yes ??

EXAMPLE #1 – Basic Traditional Safe Harbor Matching Formula

D. Matching

10. Matching Contribution Account Vesting Schedule:

1-5 Year Graded ▾ ??

11a. Other Matching Schedule - less than 1 year (without % sign):

??

11b. Other Matching Schedule - 1 year but less than 2 years (without % sign):

??

11c. Other Matching Schedule - 2 years but less than 3 years (without % sign):

??

11d. Other Matching Schedule - 3 years but less than 4 years (without % sign):

??

11e. Other Matching Schedule - 4 years but less than 5 years (without % sign):

??

11f. Other Matching Schedule - 5 years but less than 6 years (without % sign):

??

12. If **D.10** is not "100%", the following Matching Contributions are 100% vested if the Plan provides for safe harbor Matching Contributions

Only basic safe harbor Matching Contributions ▾ ??

Return

Update



Wolters Kluwer
Law & Business

ftwilliam.com

How do you limit safe harbor match to NHCEs?

B. Matching Contributions

20. Minimum age requirement for Matching Contributions:

21 ▾ ??

21a. Minimum service requirement for Matching Contributions:

one (1) Year

21b. Eligibility service computation method:

Hours of Service ▾ ??

21c. If **B.21b** is "Hours of Service" and **B.21a** is not "None", enter the Hours of Service that must be completed in the period described in **B.21a** (without commas):

1000 ??

22a. In addition to the foregoing, the Plan provides for additional requirements for eligibility to receive allocations of Matching Contributions:

Yes ▾ ??

22b. If **B.22a** is "Yes", describe any other eligibility requirements:

Only Nonhighly Compens ??

EXAMPLE #2 – Basic Traditional Safe Harbor Nonelective Contribution Formula

- Formula:
 - 3% of participant compensation

EXAMPLE #2 – Basic Traditional Safe Harbor Nonelective Contribution

C. ADP/ACP Safe Harbor

1a. Is this a safe-harbor plan exempt from most testing?

1b. If C.1 is not "No", indicate the safe harbors the Plan is intended to satisfy:

1c. If C.1a is "QACA", enter the amount of the election for the initial period as percentage of Compensation (3 -> 10):

1d. If C.1a is "QACA", enter the amount of the election for the first year after the initial period as a percentage of Compensation (4 -> 10):

1e. If C.1a is "QACA", enter the amount of the election for the second year after the initial period as a percentage of Compensation (5 -> 10):

1f. If C.1a is "QACA", enter the amount of the election for the third and subsequent years after the initial period as a percentage of Compensation (6 -> 10):

1g. If C.1a is "QACA", indicate whether the arrangement will apply to Participants who had Elective Deferral elections in effect prior to the effective date of the QACA:

2. If C.1 is not "No", enter effective date of safe harbor provisions:

3. If C.1 is "to another plan", name of other plan to which safe harbor contributions are made:

4a. If C.1 is "nonelective", safe harbor nonelective contributions will be made on behalf of:

4a.vi. If C.4a is "Participants meeting other age and service requirements" describe the age and service requirements (include entry date information):

4b. If C.1 is "nonelective", and C.4a is "All Participants", require service for Highly Compensated Employees to receive safe harbor nonelective contribution:

4c. If C.1 is "nonelective", C.4a is "All Participants", and C.4b is "Yes", Hours of Service required in the Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution (1000 maximum without commas):

4d. If C.1 is "nonelective" and C.4a is "All Participants", require employment on last day of Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution:

Yes - nonelective contribution

ADP and ACP

Yes

as of the Effective Date

All Participants

No

1000

No

[Return](#)

[Update](#)

Example #2 - Select Recipients of Nonelective Safe Harbor Contributions

3. If C.1 is "to another plan", name of other plan to which safe harbor contributions are made:

 ??

4a. If C.1 is "nonelective", safe harbor nonelective contributions will be made on behalf of:

4a.vi. If C.4a is "Participants meeting other age and service requirements" describe the age and service requirements (include entry date information):

4b. If C.1 is "nonelective", and C.4a is "All Participants", require service for Highly Compensated Employees to receive safe harbor nonelective contribution:

4c. If C.1 is "nonelective", C.4a is "All Participants", and C.4b is "Yes", Hours of Service required in the Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution (1000 maximum without commas):

4d. If C.1 is "nonelective" and C.4a is "All Participants", require employment on last day of Plan Year for Highly Compensated Employees to receive safe harbor nonelective contribution:

All Participants ??

All Participants

Nonhighly Compensated Employees only

Non Key Employees only

Participants meeting the greatest minimum age and service under section 410(a)

Participants meeting the greatest age and service under section 410(a) semi-annual entry

Participants meeting other age and service requirements

No ??

Return Update

Example #3 – Triple Stack Match

- A “triple stack” safe harbor matching formula provides for a safe harbor matching contribution, discretionary matching contribution AND an additional fixed matching contribution, all of which satisfy the ADP and ACP safe harbors
- Example Formula:
 - Safe Harbor Matching Contribution: 100% match up to 4% of Compensation
 - Discretionary Matching Contribution: May not exceed 4% of Compensation
 - Fixed Matching Contribution: 100% match up to 6% of Compensation
 - Remember that NO allocation conditions are allowed

Example #3 – Triple Stack Match

C. Matching - Formula

25. Matching Contribution formula:

Single rate

26a. If C.25 is "Single rate" or "Two rates", rate of Matching Contributions (without % sign):

100

26b. If C.25 is "Single rate" or "Two rates", maximum amount of Employee contributions matched on single rate or first rate (without % sign)

4

26c. If C.25 is "Two rates", rate of Matching Contributions on second rate (without % sign):

26d. If C.25 is "Two rates", maximum amount of Employee contributions matched on second rate (without % sign):

26e.i. If C.25 is "Single rate" or "Two rates", will any further tiered Matching Contributions to be made in addition to those described in C.26a through C.26d:

Yes

26e.ii. If C.25 is "Single rate" or "Two rates", and C.26e.i is "Yes", describe any further tiered Matching Contributions:

100% match up to 6% of Compensation

26f. If C.25 is "Single rate" or "Two rates", permit the Board to provide for Matching Contributions to be made in addition to the foregoing:

Yes

No Conditions On Matching Contributions

C. Matching - Formula

25. Matching Contribution formula:

Two rates ??

26a. If C.25 is "Single rate" or "Two rates", rate of Matching Contributions (without % sign):

100 ??

26b. If C.25 is "Single rate" or "Two rates", maximum amount of Employee contributions matched on single rate or first rate (without % sign)

3 ??

26c. If C.25 is "Two rates", rate of Matching Contributions on second rate (without % sign):

50 ??

26d. If C.25 is "Two rates", maximum amount of Employee contributions matched on second rate (without % sign):

26e.i. If C.25 is "Single rate" or "Two rates", will any further tiered Matching Contributions apply to the second rate?
in C.26a through C.26d:

26e.ii. If C.25 is "Single rate" or "Two rates", and C.26e.i is "Yes", describe any further tiered Matching Contributions that apply to the second rate:

26f. If C.25 is "Single rate" or "Two rates", permit the Board to provide for Matching Contributions in excess of the foregoing:

26g.i. If C.25 is "Years of service", describe years of service that applies to the first band:

26g.ii. If C.25 is "Years of service", describe the matching percentage that applies to the first band:

26g.iii. If C.25 is "Years of service", describe years of service that applies to the second band:

26g.iv. If C.25 is "Years of service", describe the matching percentage that applies to the second band:

26g.v. If C.25 is "Years of service", describe years of service that applies to the third band:

26g.vi. If C.25 is "Years of service", describe the matching percentage that applies to the third band:

0.00 ??

0 ??

0.00 ??

to 6% of Compensation ??

Message from webpage

?

If C.1a (safe harbor) provides a safe harbor match, you may not select "Yes" for C.21c (require employment on last day for Matching Contribution).

Press "OK" to continue, press "Cancel" to make the correction.

OK Cancel

No Conditions On Matching Contributions

- Treas. Reg. 1.401(k)-3(c)(4) (the ADP Safe Harbor rule):
 - “(4) Limitation on HCE matching contributions.-
 - The safe harbor matching contribution requirement of this paragraph (c) is not satisfied if the ratio of matching contributions made on account of an HCE's elective contributions under the cash or deferred arrangement for a plan year to those elective contributions is greater than the ratio of matching contributions to elective contributions that would apply with respect to any eligible NHCE with elective contributions at the same percentage of safe harbor compensation.”

No Conditions On Matching Contributions

- Link to ftwilliam.com article:
 - <https://www.ftwilliam.com/articles/SafeHarbor.html>

Thank you for attending

Don't hesitate to contact us with any questions.



HAVE A WONDERFUL DAY!