

**ADOPTION AGREEMENT #001  
NONSTANDARDIZED 401(K)/PROFIT SHARING PLAN**

**B. ELIGIBILITY**

**Exclusions**

The term "Eligible Employee" shall not include (Check items **B.1 - B.4a** as appropriate):

1.  **Union.** Any Employee who is included in a unit of Employees covered by a collective bargaining agreement, if retirement benefits were the subject of good faith bargaining, and if the collective bargaining agreement does not provide for participation in this Plan.
2.  Any **Leased Employee** (as defined in Article 2).
3.  **Non-Resident Alien.** Any Employee who is a non-resident alien who received no earned income (within the meaning of Code section 911(d)(2)) which constitutes income from services performed within the United States (within the meaning of Code section 861(a)(3)).
- 4a.  **Other.** Other Employees described in **B.4b** (any exclusion must satisfy Code section 401(a)).
- 4b. If **B.4a** is selected, describe other excluded Employees from definition of Eligible Employee:  
\_\_\_\_\_
5. **Opt-Out.** An Employee may irrevocably elect not to participate in the Plan:  
 Yes  No

**Other Employer Service**

- 6a. Count service with other non-affiliated employers for eligibility purposes:  
 Yes  No
- 6b. If **B.6a** is "Yes", list other non-affiliated employers: \_\_\_\_\_

**Break in Service**

7. **Rule of parity.** If an Employee does not have any nonforfeitable right to the Account balance derived from Employer contributions, exclude eligibility service before a period of five (5) consecutive One-Year Breaks in Service/Periods of Severance.  
 Yes  No
8. **One-year holdout.** (Applies for purposes of eligibility to receive Profit Sharing Contributions only). If an Employee has a One-Year Break in Service/Period of Severance, exclude eligibility service before such period until the Employee has completed a Year of Eligibility Service after returning to employment with the Employer.  
 Yes  No

**Immediate Participation**

9. If the Plan is a new plan, allow immediate participation to all Eligible Employees on the original effective date of the Plan specified in **A.3a**:  
 Yes  No

**Elective Deferrals/Voluntary Contributions**

An Eligible Employee shall be eligible to make Elective Deferrals/Voluntary Contributions (if permitted pursuant to **A.10/A.11**) at the time specified in **B.12** upon meeting the requirements of **B.10** and **B.11** (Section 3.01):

10. Minimum age requirement for Elective Deferrals/Voluntary Contributions: \_\_\_\_\_ (21 maximum - leave blank or enter "0" if none)
11. Minimum service requirement for Elective Deferrals/Voluntary Contributions:
- a.  Completion of One Year of Eligibility Service
  - b.  Completion of \_\_\_\_\_ Month(s) of Eligibility Service (Not to exceed 12 - See **B.43**)
  - c.  Completion of the number of Hours of Service specified in **B.43** in a \_\_\_\_\_ month period (Not to exceed 12. The rules regarding computation of service found under the definition of Month of Eligibility Service apply for purposes of determining service under **B.11c**.)
  - d.  None
- NOTE:** If eligibility is computed using months under **B.11b** or **B.11c**, the same method must be used for eligibility for Matching Contributions and Profit Sharing Contributions. For example, if you check **B.11b**, you cannot check **B.21c** or **B.31c**. See **B.43**.
- 12a. Frequency of entry dates for Elective Deferrals/Voluntary Contributions:
- i.  An Eligible Employee shall become a Participant eligible to make Elective Deferrals/Voluntary Contributions immediately upon meeting the requirements of **B.10** and **B.11**.
  - ii.  first day of each calendar month

- iii.  first day of each plan quarter
- iv.  first day of the first month and seventh month of the Plan Year

**12b.** If **B.12a.i.** (immediate entry) is not selected, an Eligible Employee shall become a Participant eligible to make Elective Deferrals/Voluntary Contributions on the entry date selected in **B.12a** that is:

- i.  coincident with or next following
  - ii.  next following
- the date the requirements of **B.10** and **B.11** are met.

### Matching Contributions

An Eligible Employee shall be eligible to receive an allocation of Matching Contributions (if permitted pursuant to **A.12**) at the time specified in **B.22** upon meeting the requirements of **B.20** and **B.21** (Section 3.02):

- 20.** Minimum age requirement for Matching Contributions: \_\_\_\_\_ (21 maximum - leave blank or enter "0" if none)
- 21.** Minimum service requirement for Matching Contributions (Cannot exceed 1 year, unless the Plan provides a nonforfeitable right to 100% of the Participant's Matching Contribution Account balance after not more than 2 years of service, in which case up to 2 years is permitted.):
  - a.  Completion of \_\_\_\_\_ Year(s) of Eligibility Service (Not to exceed 2)
  - b.  Completion of \_\_\_\_\_ Month(s) of Eligibility Service (Not to exceed 12 - See **B.43**)
  - c.  Completion of the number of Hours of Service specified in **B.43** in a \_\_\_\_\_ month period (Not to exceed 12. The rules regarding computation of service found under the definition of Month of Eligibility Service apply for purposes of determining service under **B.21c.**)
  - d.  None

**NOTE:** If eligibility is computed using months under **B.21b** or **B.21c**, the same method must be used for eligibility for Elective Deferrals/Voluntary Contributions and Profit Sharing Contributions. For example, if you check **B.21b**, you cannot check **B.11c** or **B.31c**. See **B.43**.

**22a.** Frequency of entry dates for Matching Contributions:

- i.  An Eligible Employee shall become a Participant eligible to receive an allocation of Matching Contributions immediately upon meeting the requirements of **B.20** and **B.21**.
- ii.  first day of each calendar month
- iii.  first day of each plan quarter
- iv.  first day of the first month and seventh month of the Plan Year
- v.  first day of the Plan Year

**22b.** If **B.22a.i.** (immediate entry) is not selected, an Eligible Employee shall become a Participant eligible to receive an allocation of Matching Contributions on the entry date selected in **B.22a** that is:

- i.  coincident with or next following
- ii.  next following
- iii.  coincident with or immediately preceding
- iv.  immediately preceding
- v.  nearest to

the date the requirements of **B.20** and **B.21** are met.

**NOTE:** The combination of **B.21** and **B.22** must meet the requirements of Code section 410(a). For instance, **B.22a.v** may not be selected with **B.22b.i** if two Years of Service is required under **B.21**.

### Profit Sharing Contributions

An Eligible Employee shall be eligible to receive an allocation of Profit Sharing Contributions (if permitted pursuant to **A.13**) at the time specified in **B.32** upon meeting the requirements of **B.30** and **B.31** (Section 3.03(a)):

- 30.** Minimum age requirement for Profit Sharing Contributions: \_\_\_\_\_ (21 maximum - leave blank or enter "0" if none)
- 31.** Minimum service requirement for Profit Sharing Contributions (Cannot exceed 1 year, unless the Plan provides a nonforfeitable right to 100% of the Participant's Profit Sharing Account balance after not more than 2 years of service, in which case up to 2 years is permitted.):
  - a.  Completion of \_\_\_\_\_ Year(s) of Eligibility Service (Not to exceed 2)
  - b.  Completion of \_\_\_\_\_ Month(s) of Eligibility Service (Not to exceed 12 - See **B.43**)
  - c.  Completion of the number of Hours of Service specified in **B.43** in a \_\_\_\_\_ month period (Not to exceed 12. The rules regarding computation of service found under the definition of Month of Eligibility Service apply for purposes of determining service under **B.31c.**)
  - d.  None

**NOTE:** If eligibility is computed using months under **B.31b** or **B.31c**, the same method must be used for eligibility for Elective Deferrals/Voluntary Contributions and Matching Contributions. For example, if you check **B.31b**, you cannot check **B.11c** or **B.21c**. See **B.43**.

**32a.** Frequency of entry dates for Profit Sharing Contributions:

- i.  An Eligible Employee shall become a Participant eligible to receive an allocation of Profit Sharing Contributions immediately upon meeting the requirements of **B.30** and **B.31**.
- ii.  first day of each calendar month
- iii.  first day of each plan quarter

iv.  first day of the first month and seventh month of the Plan Year

v.  first day of the Plan Year

**32b.** If **B.32a.i.** (immediate entry) is not selected, an Eligible Employee shall become a Participant eligible to receive an allocation of Profit Sharing Contributions on the entry date selected in **B.32a** that is:

i.  coincident with or next following

ii.  next following

iii.  coincident with or immediately preceding

iv.  immediately preceding

v.  nearest to

the date the requirements of **B.30** and **B.31** are met.

**NOTE:** The combination of **B.31** and **B.32** must meet the requirements of Code section 410(a). For instance, **B.32a.v** may not be selected with **B.32b.i** if two Years of Service is required under **B.31**.

#### Eligibility Service Computation Rules

**40.** Eligibility service computation method (Unless **B.40.ii** (Elapsed Time) is selected, the Plan will use the Hours of Service method for determining eligibility service. If **B.40.ii** (Elapsed Time) is selected, questions **B.41** through **B.44** are disregarded.):

i.  Hours of Service

ii.  Elapsed Time

**41.** Eligibility Computation Period switch to Plan Year:

Yes  No

**42.** Enter the number of Hours of Service necessary for Year of Eligibility Service: \_\_\_\_\_ (Not more than 1,000. If left blank, the Plan will use 1,000 Hours of Service.)

**43.** If eligibility is computed using months, enter the number of Hours of Service necessary for a Month of Eligibility Service under **B.11b**, **B.21b** and/or **B.31b**, or enter the number of Hours of Service that must be completed in the period described under **B.11c**, **B.21c** and/or **B.31c**: \_\_\_\_\_ (Not more than 83 if computed per month under **B.11b**, **B.21b** and **B.31b**; or not more than 83 times the number of months selected in **B.11c**, **B.21c** and **B.31c**).

**NOTE:** If eligibility is computed using months, the service requirement under **B.11b**, **B.11c**, **B.21b**, **B.21c**, **B.31b** or **B.31c**, as applicable, shall be deemed met no later than the end of an Eligibility Computation Period during which the Eligible Employee completes 1,000 Hours of Service; provided, that the individual is an Eligible Employee on the applicable entry date.

**44.** Select hours equivalency for eligibility purposes:

i.  None

An Employee shall be credited with the following service with the Employer:

ii.  10 Hours of Service for each day or partial day

iii.  45 Hours of Service for each week or partial week

iv.  95 Hours of Service for each semi-monthly payroll period or partial semi-monthly payroll period

v.  190 Hours of Service for each month or partial month