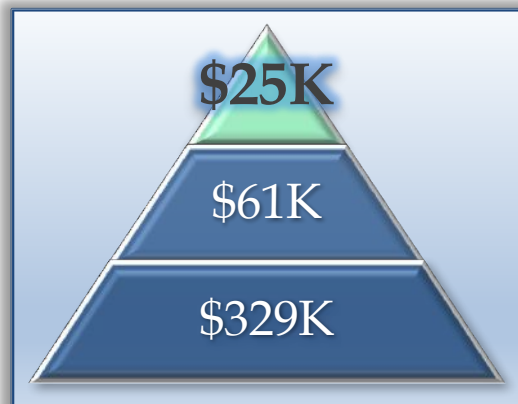


401(k) Retirement Plans

WHAT is a 401(k) Retirement Plan?

One of the most popular and common types of company-sponsored retirement plans available today, a traditional 401(k) plan allows participants to reduce their current taxable income levels by deferring pre-tax income into the plan. Those contributions enjoy tax-deferred savings until withdrawn at retirement.

A 401(k) is a provision added to a profit sharing plan, however profit sharing may be discretionary.



WHO is an Ideal Plan Sponsor?

- ✓ **Goal:** Plan Sponsors looking to attract and retain employees, as well as defer income for their own retirement.
- ✓ **Demographic:** Companies of any size. Eligible employees, regardless of age, can contribute to a 401(k) plan up to 100% of their annual compensation or the annual limit.
- ✓ **Generosity:** Although 401(k) plans do not require any employer contributions, they are still subject to non-discrimination testing. If a plan fails non-discrimination testing due to low employee engagement, two options may be available to resolve the issue:
 1. A Qualified Nonelective Employer Contribution (QNEC) can be made to non-highly compensated employees.
 2. A Corrective Distribution of excess contributions can be made to highly compensated employees.

WHY work with a Third Party Administrator (TPA)

- Consultative plan design can ensure that your plan conforms with your businesses' retirement plan objectives.
- A TPA can assist in monitoring your plan's evolution; as your business grows, so too will your plan needs.
- TPAs help ensure your annual plan data and participant records are accurate, and assist in keeping your plan compliant with IRS and DOL requirements.