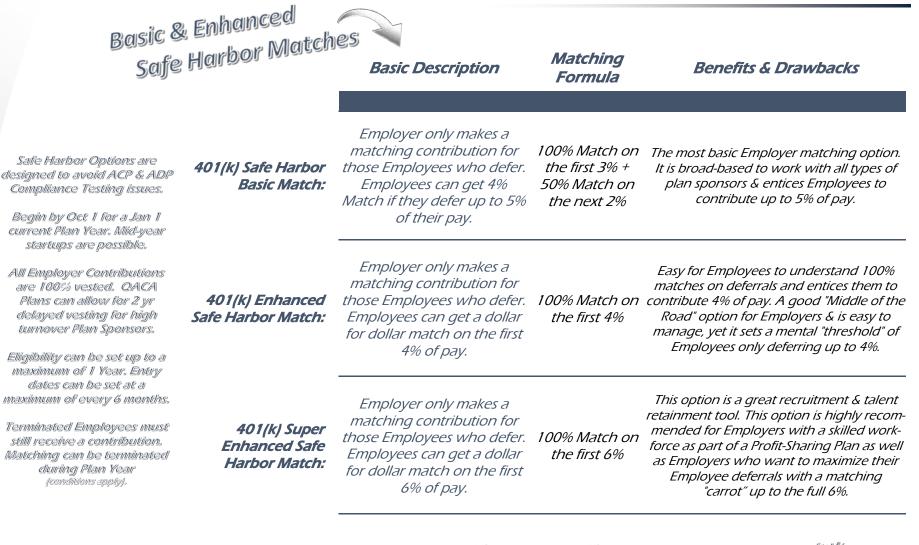


401(k) Safe Harbor Quick Guide

Maximize your Potential - Minimize your Risk



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Additional Safe Harbor Plan Types to Consider		Basic Description	Formula & Details	Major Benefits and/or Drawbacks
Alli Safe Harbor Plans are easily paired with Profit Sharing & Cash Balance Plans, PPC is your Resource to design the best solution for your Clients.	Non-Elective 401(k) Safe Harbor Option (Non-Matching):	Non-Matching Option - Employer simply makes a contribution for all employees, based on a set % of their pay from a min of 3% up to 6%.	3%, 4%, 5% or 6% of Pay	Ease of use to manage Employer Costs & easy to forecast tax deductions. Easy for Employees to understand. Because the Employer contribution is automatic and not as a Match for employee deferrals, it is a great tool to attract/retain talent, but it does not entice employees to contribute on their own.
	QACA 401(k) Safe Harbor (Qualified Automatic Contribution Arrangement):	Employees are Auto- Enrolled to defer at least 3% of pay and auto-escalate 1% per year up to 6%. (Participants must receive an election notice & Opt Out within the first 90 days of eligibility.)	<i>100% Match on the first 1% + 50% Match on the next 5%</i>	This option is a great way for large participant or high employee turnover plans to ease employees into saving for their own retirement & also ease them into Employer matching (either as a Start- up Plan or when adding a Match Option). Can be difficult at times for Employees to understand auto-enrollment & auto-increasing deferrals without proper enrollment education.
	<i>Triple Stack Match 401(k) Safe Harbor:</i>	In consultation with our actuaries, a triple stack match is a great "blended option" to allow the Employer added tax deduction flexibility when employee deferrals are typically low.	<i>Three Tiers: 1 Basic match, 2 discretionary Match of 66 2/3% of deferrals up to 6% of pay and 3 A fixed match of x% of pay up to 6% of pay deferred</i>	This option can be difficult to manage and difficult for employees to understand at times, but it does provide flexibility for the Employer.

** Additional Restrictions/Conditions/Special Notices apply for each type of Safe Harbor Plan. This "Cheat Sheet" is for illustration purposes only & not designed to infer advice or recommendations for all situations.**



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