

OUTLINE

401(k) PROFIT SHARING PLAN

(For plan years beginning in 2020)

401(k) / Roth
 100% up to \$19,500
 (age 50 - \$6,500 catch-up)

MATCH
 Limit combined with
 Profit Sharing

PROFIT SHARING
 0-25%
 eligible compensation

ADP TEST
 Usually NHC avg. + 2% = HC max avg.

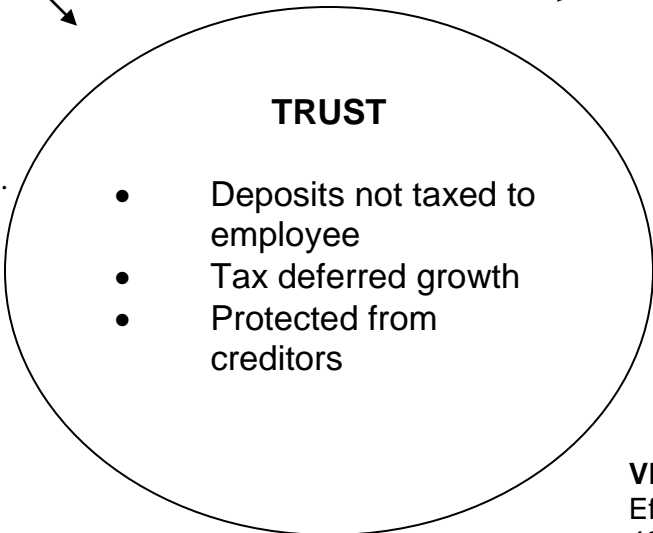
NHC %
 5
 10
 0
 5
 5% avg. + 2% = 7% max HC avg.

Prior yr. method on first plan yr.
 3% assump. + 2% = 5%

TOP-HEAVY TEST
 Keys own 60% of trust
 May require 3% PS contrib.

SAFE HARBOR
 Auto. pass ADP and top-heavy test
 100% vested / includes term. emp. / exist 90 days

- 1) 3% PS contrib.
- 2) Match roughly \$1 for \$1 up to 4% pay (6% max)
- 3) Auto Enroll with 3½% match (vesting)



ALLOCATION
 Proportional
 SS Integration
 New Comparability

ELIGIBILITY
 Age 21
 1 yr.
 1,000 hrs. yr.
 Union emp.
 30% NHC job class

VESTING
 Effec. DOH or plan start
 401(k) – 100%
 PS / Match - usually:
 0 – 20 – 40 – 60 – 80 - 100%

INDIVIDUAL LIMIT
 100% up to \$57,000
 (\$63,500 if age 50)

COMPENSATION LIMIT
 \$285,000