

Comparison Of Contributions Made To 401(k) Plans

Types of 401(k) Plan Contributions	SALARY DEFERRAL		EMPLOYER MATCH		SAFE HARBOR		PROFIT SHARING	
	Pre-Tax (Default)	ROTH	Fixed	Discretionary	Match	3% Non-Discretionary	Traditional	Group Allocation
FICA Taxes	Yes				No			
Current Federal and State Income Taxes	Excluded	Not Excluded - Employee pays current taxes			Excluded			
Future Income taxes at Retirement?	Yes	No			Yes			
Roll over to an IRA without taxation	Yes	Yes - to a Roth			Yes			
Convertible to a Roth within the plan	Yes	N/A			Yes			
Formula	Elected by employee		Determined by Plan Document		Either: 100% match up to deferrals of 4% of compensation	3% of pay contribution without regard to employee deferrals	Allocated in even percentages in relation to compensation	Targeted: In general, higher contributions may be allocated to Owners and Managers if they are older than the other employees
	May be automatically enrolled		Should have a match percent component and may have a cap		Or: 100% match up to deferrals of 3% plus 50% match on next 2%			
Can the plan require employment on last day?	No		Yes		No		Yes	
Limits (2017) under 50	\$18,000				Total contribution may not exceed \$54,000			
Limits (2017) for 50+	Catch-up of \$6,000 (total \$24,000)				Total Contribution may not exceed \$54,000 plus \$6,000 Catch-up			
Vesting	Always 100% vested		May have graded vesting up to 6 years		Always 100% vested		May have graded vesting up to 6 years	
Testing Required?	ADP Test unless Plan Adopts a Safe Harbor Contribution		ACP Test unless Plan Adopts a Safe Harbor Contribution		Allows 401(k) deferrals to automatically pass testing		Generally Passes all Testing	
							Must pass Non-Discrimination Tests	