

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 For example: 50% match up to a deferral of 6% of compensation		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 (2015/2016) under 50	\$18,000		Total contribution may not exceed \$53,000					
Limits (2015/2016) for 50+	Catch-up of \$6,000 (total \$24,000)		Total Contribution may not exceed \$53,000 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	