

## 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<br>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 (2021) under 50                       | \$19,500                                               |                                            | Total contribution may not exceed \$58,000                                                                                |               |                                                                |                                                             |                                                           |                                                                                                                               |
| Limits (2021) for 50+                        | Catch-up of \$6,500 (total \$26,000)                   |                                            | Total Contribution may not exceed \$58,000 plus \$6,500 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                                                                                            |