OUTLINE
401(k) PROFIT SHARING PLAN
(For plan years beginning in 2010)

401(k) / Roth
100% up to $16,500
(age 50 - $5,500 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%

ALLOCATION
Proportional
SS Integration
Age Weighted
New Comparability

TRUST

- Deposits not taxed to employee
- Tax deferred growth
- Protected from creditors

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

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

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

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)

INDIVIDUAL LIMIT
100% up to $49,000
($54,500 if age 50)

COMPENSATION LIMIT
$245,000