

401(k) Savings Plan Summary

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Published on www.lorman.com - June 2018

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401(k) SAVINGS PLAN SUMMARY

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INTRODUCTION

"Benefits. For Both of Us." That's the theme of our benefit program at _____. It's a program designed to meet your needs and those of your dependents; and it's a program we believe will help us attract and keep high quality employees who will contribute to the success of the business.

This Summary is about our 401(k) Savings Plan. It's a plan created to encourage you to save regularly over your career; and as an incentive for saving, the Company may add a contribution to your account based on your savings and also based on the profits the Company makes each year. The Board of Directors each year will determine the amount of this matching contribution. Perhaps no other part of our benefit program reflects our themes as well as the 401(k) Savings Plan. As we grow and prosper as a Company, this Plan will provide all of us an excellent level of benefits.

This Summary Plan Description is a brief summary of your Plan and your rights and benefits under the Plan. It is not meant to interpret or change the provisions of your Plan. A copy of your Plan is on file at your Employer's office and may be read by you, your beneficiaries, or your legal representative at any reasonable time. If you have any questions regarding either the Plan or after reading this Summary, if you have any questions about how the Plan operates, please contact your Plan Administrator. If any discrepancies exist between this Summary Plan Description and the actual provision of the Plan, the Plan shall govern.

THE PLAN IN BRIEF

Eligibility

If you are a full-time employee and you have worked for the Company for at least twelve (12) continuous months, you are eligible

to participate in the Plan. Enrollment is voluntary. You become a participant on the first day of _____ or _____, whichever comes first, after you submit the enrollment form and have fulfilled the eligibility requirement.

Your Deposits

There are a number of ways you can make deposits to the Plan:

1. You can deposit a percentage of your pay to your 401(k) Savings Plan account by regular payroll deduction called nondeferred deposits. These are deposits after you have paid taxes on them.

2. You can have the Company take a percentage of your pay and make tax-deferred deposits to your thrift account on your behalf. The annual maximum cannot exceed the lesser of ____25% of your gross salary or \$13,000 (2004 level—indexed annually).

3. You can make lump-sum deposits either from a qualified retirement plan or IRA (rollover account deposits) or you may make deposits by payroll deduction each pay period. You will be restricted by the new laws as to whether your contributions to an IRA are tax deductible or nondeferred as a result of participating in the 401(k).

4. You can make "catch up" tax-deferred deposits to your thrift account in excess of the amounts in item #2 above if you are above age ____ (55) until you retire at your normal retirement age.

Company Contributions

The Company may match the tax-deferred deposits to your 401(k) Savings Plan account. Based on the profits of the Company, the Board of Directors may authorize the Company to match your deposits from 0% up to ____% of your pay. Deposits in excess of ____% of your pay to the thrift account are not matched by Company contributions. If the Company's profits are at a high level, the Board of Directors may authorize an extra matching contribution or profit-sharing contribution to your account.

Investment Choices

Matching Company Contributions to your thrift account will be automatically invested in the investment determined by the Company. You will be given a choice of several investment options for money you direct to be contributed to the 401(k) Savings Plan.

Ownership in Your Account

You always own the full value of deposits you have made to your account. You own the full value of Company matching contributions once you have at least _____ years of service with the Company, or if you retire, die or are totally disabled. Otherwise your ownership of matching Company Contributions is based on your length of service with the Company according to the following schedule:

Vesting Schedule Table

Less than 3 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%

OR

100% vested after five (5) years of service

Payouts from the Plan

The full value of all deposits plus the value of Company matching contributions which you own will be paid out within one (1) year after you _____ stop _____ working _____ at _____.

Under certain conditions, you may withdraw funds from the Plan while you are still an active employee. The rules for withdrawal vary depending on the kind of withdrawal you make. In most cases, you cannot withdraw any of the interest earned or matching deposits. You will also have to pay a 10% penalty on any amount you withdraw.

Under certain circumstances, you may borrow against the value of your account. Generally, loans must be repaid on a monthly basis over a period of five years or less or upon termination from the Company. Loans for the purchase of your personal residence must be

paid over a period of 30 years or less or upon termination from the Company. Loans will not be available at this time, but may be available at some future time determined by the Company.

Taxes

Current Federal tax law allows you to postpone paying taxes on Company matching contributions to your account and on tax-deferred deposits you authorize the Company to make on your behalf to your thrift account. However, you will be required to pay taxes on these amounts in the future when you receive a payment from the Plan. If you pay current taxes on the money you deposit (nondeferred deposits) through payroll deductions, when you receive a payout of these deposits they are not taxed. Earnings on all tax-deferred deposits and contributions to your account are taxed when you receive them as a payout from the Plan.

YOUR DEPOSITS AND COMPANY CONTRIBUTIONS

There are several ways you can deposit money in the Plan. The most common ways are nondeferred and tax-deferred deposits to your thrift account. The first 10% of pay deposited to the thrift account may or may not be matched by Company contributions at the discretion of the Board of Directors.

Nondeferred Deposits

You can make regular after-tax deposits through payroll deduction. By checking the nondeferred income option on the enrollment form, you authorize the Company to deduct the percentage of pay you indicate each pay period and deposit it in your thrift account. Nondeferred deposits are made with "taxed" dollars. That is, taxes are first taken from your pay, then these deposits are made to your account. Monies deposited in your 401(k) Savings Account in this manner are not taxable later when you receive them back from the Plan. No more than 10% of your wage may be contributed to the Plan as nondeferred deposits.

Tax-Deferred Deposits

You can authorize the Company to make tax-deferred deposits to the 401(k) Savings Plan on your behalf. By checking the

tax-deferred option on the enrollment form, you authorize the Company to reduce your gross pay by the percentage you indicate and to deposit that percentage of pay into your 401(k) Savings Plan account. By checking tax-deferred, you postpone the payment of taxes on the money being deposited until you actually receive it. For most people, this will mean more savings and/or take-home pay and lower taxes.

You may authorize up to ____25% or \$13,0000 (2004 level—indexed annually), whichever is less, of your pay to be deposited in the Plan either by nondeferred or tax-deferred deposits or a combination of those. The first 10% of pay deposited may be matched by Company contributions; and if profits are high, the Board of Directors may authorize an extra matching contribution. Any deposit over 10% of pay will not be matched, but will enjoy the same investment opportunities as matched deposits.

The total amount that may be deposited by both the Company and by you should not exceed the lesser of \$30,000 or 25% of your pay. Your Company may also place restrictions on the amount you may deposit in order to meet IRS requirements.

Other Kinds of Deposits

In addition to nondeferred and tax-deferred deposits, you may make other deposits to the Plan. These unmatched deposits include:

Rollovers Deposits which you roll into the Plan from another qualified retirement plan. Talk to the Personnel Department to discuss a rollover account.

Changing Deposits

You may increase, decrease, or stop your deposits by filing the appropriate form with your personnel representative. The change will be effective as soon as administratively feasible. No more than _____four changes are allowed in any calendar year.

There are certain limitations that the Internal Revenue Code places on deposits of higher-paid employees. You will be notified if any of these should apply to you, and you may be required to change your rate or manner of deposits.

INVESTMENT CHOICES

All matching Company contributions will be invested in a manner determined by _____. You have a choice as to how your deposits and their earnings are invested. The Company will make several investment options available. You may put 100% of your account in one fund or divide your investment between the available funds of your choice (in 10% portions).

Money Market Fund

This fund is made up of high quality investments of less than two years duration, including government securities, bank certificates of deposit, commercial paper, notes and other similar investments. The rate of return is similar to that available in money market investments.

Diversified Equity Funds

These funds are a diversified portfolio of common and preferred stock of corporations as well as warrants, options, and rights to purchase stock. The earnings of these funds are based on growth in the value of the stock and on dividend earnings.

Income Reserve Fund

This fund is invested in stable, relatively safe U.S. Government securities and bonds of large companies. The rate of return is a mix between the money market rate and a fixed income rate.

Personal Insurance or Annuity Contracts

Up to half of the investment you make in the 401(k) Savings Plan may be placed in some type of insurance vehicle which has some death benefit and some savings benefit, provided the product consists of whole life or permanent value life insurance; or up to 25% of the investment you make in the 401(k) Savings Plan may be placed in some type of Universal Life Insurance. Term insurance cannot be used as an investment vehicle in the 401(k) Savings Plan.

Changes and Transfers

You may change the way new deposits are invested by filing the appropriate form with the Committee. Forms are available from your personnel representative. The change will be effective as of the first of the month after the form is processed. Changes in the amount of new deposits are allowed. Changes may not be made more than once in any calendar quarter and not more than a total of twice during any Plan Year.

You may transfer in 10% increments the existing amounts you have in any fund once in any calendar quarter. Transfers are allowed _____ times a year. Forms for directing transfers of your investments are available from your personnel representative. Completed forms should be sent to the Committee.

Voting Rights

Should any of your 401(k) Savings Plan money be invested in a Company _____ stock fund which invests in _____ common stock, you will be entitled to direct the way in which your stock will be voted at annual meetings of shareholders. A proxy which you may use to direct your vote will be sent to you before each annual meeting.

Statement of Accounts

You will receive an annual statement of your account. It will show your balance as of your last statement, how much you and the Company have added since the last statement, what the investment gains or losses have been, and what your ending balance is.

Important Considerations

Your account will grow based on deposits and any matching Company contributions and on the investment returns for the funds you choose. Different investments have different degrees of risk and different opportunities for growth.

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