

## BENEFIT ADMINISTRATION, INC. QUICK COMPARISON OF 401(k) PLANS

	SIMPLE 401(k) PLAN	SAFE HARBOR 401(k) PLAN	TRADITIONAL 401(k) PLAN
Which companies can adopt?	Non-governmental employer with not more than 100 eligible employees earning at least \$5,000 during the preceding year.	Non-governmental employer, regardless of size.	Non-governmental employer, regardless of size.
Can the employer have other qualified plans?	No – Must be the only plan covering a group of eligible employees.	Yes – Eligible employees may also be covered under another qualified plan maintained by the employer.	Yes – Eligible employees may also be covered under another qualified plan maintained by the employer.
What is the Deferral limit (indexed)?	\$11,500 in 2010 \$2,500 catch-up	\$15,500 in 2010 \$5,500 catch-up	\$15,500 in 2010 \$ 5,500 catch-up
Is this a Qualified Retirement Plan filing with the IRS?	No	Yes – Assets can transfer to another qualified retirement plan.	Yes – Assets can transfer to another qualified retirement plan.
Is the Plan subject to ADP / ACP testing?	No	No	Yes
Is the Plan subject to Top Heavy testing?	No	No - If the required Matching contribution is the only contribution besides deferral made to the plan  Yes – If the 3% non-elective contribution is used and/or the plan has an additional traditional profit sharing contribution, the company must make a Top Heavy minimum contribution The 3% non-elective contribution made to satisfy safe harbor may be used to satisfy the Top Heavy minimum contribution requirement.	Yes - If failing this test, the company must make a Top Heavy minimum contribution  A 3% Profit Sharing contribution will satisfy the Top Heavy minimum contribution.  Match cannot be used to satisfy Top Heavy
Is the company required to make a contribution to the plan?	Yes – Must make either the Matching contribution or the Non-elective contribution listed below	Yes – Must make either the Matching contribution or the Non-elective contribution listed below	No – All company contributions to the plan are discretionary
Matching contribution	Dollar for dollar match, up to 3% of compensation. 100% immediate vesting.	Dollar for dollar match, up to 3% of compensation and \$.50 on the dollar from 3% to 5% of compensation. 100% immediate vesting. Rate of match must be uniform for all eligible employees. Other match formulas may satisfy the safe harbor. *	Flexible – subject to ACP testing and vesting schedule. Yes – Other employer contributions, such as profit sharing, may be made and are subject to vesting schedule.
Non-elective contribution	In lieu of match – 2% of compensation for all participants with at least \$5,000 of compensation. 100% immediate vesting.	In lieu of match - 3% of compensation for all participants. 100% immediate vesting.	
Are other employer contributions allowed?	No – Only deferrals and required match or non-elective contribution may be made.	Yes – Other employer contributions, such as profit sharing or match, may be made and can be subject to vesting schedule.	Yes – Other employer contributions, such as profit sharing or match, may be made and can be subject to vesting schedule.
Are after-tax employee contributions allowed?	No	Yes – Subject to ACP testing and plan provisions.	Yes –Subject to ACP testing and plan provisions.

\* Rate of match can't increase as rate of deferral increases. Aggregate amount of matching contributions must be at least as great as above. Match on deferrals in excess of 6% of compensation or a discretionary match exceeding 4% of the employee's compensation bumps plan out of Safe Harbor (subject to ACP testing).  
Benefit Administration, Inc.