

About the Plan

Safe Harbor Choice Plus is a 401(k) plan that requires the small business owner to match employee contributions up to a certain level. In exchange for the mandatory matching, the plan avoids the annual compliance testing. Employee contributions are taken out of each paycheck and are immediately 100% vested. Profit-sharing is an option for owners who wish to contribute more to employees than the required matching; top-heavy testing is required with this feature.

The Safe Harbor Choice Plus plan may be ideal for employers who:

- Are comfortable with a mandatory employer contribution in exchange for avoiding annual compliance testing
- Desire a profit-sharing contribution based on either pro-rata or Social Security integration formula
- May want to establish a vesting schedule

Plan Information

Features		
Required employer contribution	Yes	
Compliance testing required	When profit-sharing is contributed	
Pro-rata profit sharing	Optional	
Integrated profit sharing	Optional	
Vesting schedule	Optional 100%, 6 year graded or 3 year cliff	
Compensation used for employer contribution calculation	Full plan year or the time period in which the employee was plan eligible.	
Features	Amount	Paid by
Annual Fee*	\$1,100	Employer paid annually
Set up fee	\$500	Employer at time of plan setup
Conversion fee	\$500	Employer if converting from another plan
Additional Fees	Amount	Paid by
Distribution fee	\$50	Deduction from employee account balance or check
Hardship distribution fee	\$75	Deduction from employee account balance or check
Loan origination fee	\$75	Deduction from employee account balance or check
Plan amendment	\$250	Employer at time of request
Plan audit fee	\$300	Employer at time of plan audit
Correct a payroll deposit error	\$50	Employer at time of correction request
Form 5500 extension	\$200	Employer
Corrected form 5500	\$375	Employer prior to filing
Plan termination fee	\$300	Employer prior to termination
Service termination fee	\$600	Employer prior to transfer

*Assumes plan has 50 or fewer participants. For any plan with 51 or more participants, the annual Administration Fee is the applicable base fee plus \$20 per participant starting with the 51st participant.

Adopting a retirement plan is a serious issue. Qualified plans can be very technical and highly regulated. Prime Plan Solutions strongly urges all employers to review the decision with their tax or legal advisors before executing any legal documents.

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