

## About the Plan

*Traditional Choice* is a 401(k) plan that allows employees to contribute from each paycheck and provides the option for owners to match or offer profit sharing contribution. Annual compliance testing is required to demonstrate that business owners and highly paid employees do not benefit disproportionately when compared to the remaining employees. The testing may limit the amount business owners and highly paid employees can save toward retirement each year.

### The Traditional Choice plan may be ideal for employers who:

- Prefer employee match and profit-sharing contributions to be discretionary
- Are comfortable that the plan is subject to annual compliance testing
- Are comfortable with profit-sharing contributions being fully vested.

## Plan Information

Features		
Required employer contribution		Only in top heavy years
Compliance testing required		Every year
Pro-rata profit sharing		Optional
Integrated profit sharing		Not Available
Vesting schedule		100%
Compensation used for employer contribution calculation		Full Plan Year
Features	Amount	Paid by
Annual Fee*	\$800	Employer paid annually
Set up fee	\$250	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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