

About the Plan

Traditional Choice Plus is a 401(k) plan that allows employees to contribute from each paycheck and provides options 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. Business owners wanting to reward employee longevity can apply a vesting schedule to employer matching and profit sharing contributions.

The Traditional Choice Plus 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
- Desire a profit-sharing contribution based on either pro-rata or Social Security integration formula

Plan Information

Features		
Required employer contribution	Only in top heavy years	
Compliance testing required	Every year	
Pro-rata profit sharing	Optional	
Integrated profit sharing	Optional	
Vesting schedule	Optional 100%, 6 yr graded or 3 yr 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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