



# SAFE HARBOR PLANS

## MAXIMIZE YOUR 401(k) CONTRIBUTIONS

Safe Harbor plans are a type of 401(k) plan where a required employer contribution is made available to employees. In return, the plan is deemed to pass certain compliance tests under IRS rules. This allows Business Owners and Highly Compensated Employees (HCEs) to maximize their contributions regardless of employee participation. Safe Harbor plans are especially helpful for companies with many HCEs and/or low participation from the overall employee population. However, we find that overall employee participation and satisfaction is increased with an employer contribution to the 401(k) plan.

## SAFE HARBOR PLAN DETAILS

- Safe Harbor Plans will prevent owners and HCE's from receiving 401(k) refunds each year
- Companies can amend current 401(k) plans or designate when creating a new plan
- Annual company match 100% vested, ideal for companies with strong cash flow
- Business owners and HCEs can contribute up to the IRS maximum salary deferral limits each year
- Safe Harbor Plans require annual notifications to employees
- Maximize company tax deduction for match, and employees maximize tax free income

## 3 PLAN OPTIONS NOW AVAILABLE:

- 1 Matching formula to incentivize employees (both Traditional + Enhanced versions)
- 2 Non-Elective contribution to all Eligible Employees (at least 3% of compensation)
- 3 QACA: Combines Automatic Enrollment with Auto Increase, plus allows for optional 2-year vesting schedule

**WITH ANY OF THE ABOVE PLAN OPTIONS, COMPASS PROVIDES AN ANNUAL PLAN DESIGN REVIEW.**

## WHY COMPASS?

- Commitment to Exceptional Service
  - We're committed to transparency and exceptional service
  - We take a full-scope service approach
- Dedicated + Experienced Client Service Team
  - Streamlined communication ensures your needs are met
  - Consultants average 12+ years of experience designing and administering retirement plans
- Cutting-Edge Technology
  - Proprietary software to ensure accuracy and employee data integrity
- Capitalize on Our Expertise
  - Our team of actuaries and retirement plan professionals takes the complexity out of regulatory requirements

**LEARN MORE ABOUT SAFE HARBOR PLANS**

Contact us at 603.778.9920 or [compass-cg.com](http://compass-cg.com)