

Plan Establishment Kit

Pre-Approved Plan Document Services



Getting started...

Thank you for choosing Ascensus, LLC to provide plan document services for your 401(k) Profit Sharing or Money Purchase Pension qualified retirement plan. Please complete the following information to begin the document establishment process.

Important notes to consider...

■ Deadline Change For First Year Plans

- Under the SECURE 2.0 Act, beginning with plan years starting after December 31, 2019, employers have until their tax return due date, **plus** extensions, to sign and adopt new 401(k) or Profit Sharing plans while still being allowed to make retroactive employer contributions for the prior taxable year. **NOTE: Only employer contributions can be funded and treated as being taxable for the prior tax year.**
- Under the SECURE 2.0 Act, beginning with plan years starting after December 29, 2022, sole proprietors and owners of single-member LLCs can **establish and fund** a 401(k) plan—including retroactive elective deferrals—by the employer's tax return due date, **excluding** extensions. To be eligible to make retroactive elective deferrals, owners must own 100% of the business and be the only employee.

■ Auto-Enrollment

- Due to SECURE 2.0 Act updates, any 401(k) plan established on or after December 29, 2022 may be subject to mandatory auto-enrollment requirements for employers with more than ten employees. Please contact Ascensus if you feel auto-enrollment may be required for your plan.

■ Long-Term Part-Time Employees

- Due to the SECURE Act of 2019 (or SECURE 1.0), effective for 2021 and later plan years, employers were required to track all employees' hours and permit employees who have satisfied the plan's minimum age requirement and who have worked 500 or more hours in three consecutive years, to make elective deferrals to the employer's plan. The SECURE 2.0 Act shortens the period for these long-term, part-time employees from three years to two, effective for 2025 and later plan years.

Please have this information ready before you start...

- Address
- EIN
- Email Address
- Employer Name
- Plan Name
- Phone Number
- Trustee Information (if applicable)

The following must be completed to prepare your plan documents...

- Contact Information Form with Plan Design Questionnaire (PDQ) and
- Document Service Agreement (DSA) must be completed to prepare your plan documents.

Collectively, these forms comprise the Plan Establishment Kit. Once you have completed this kit, please return it to Ascensus using one of the following delivery methods.

Email PershingPlanDocs@ascensus.com

Regular Mail

Ascensus DCS Unit
PO Box 577
Fort Washington, PA 19034

Express or Overnight Mail

Ascensus DCS Unit
575 Pinetown Road #577
Fort Washington, PA 19034

If you have any questions, please contact the Ascensus Document Compliance Service Team at 866-775-9118.

Next Steps...

1. Ascensus receives the completed Plan Establishment Kit and reviews the documents for accuracy and complete information. **If additional information is required, Ascensus will contact you or your financial advisor. The Plan Establishment Kit is not your executed plan document.**
2. After all information is received, Ascensus will process and upload the completed adoption agreement to our secure electronic signature website, Sertifi.
3. Once the adoption agreement and trust and custodial agreement are uploaded to Sertifi, the primary signer and any additional signers will receive invitation emails requesting they review and electronically sign the documents. The financial advisor listed on the Contact Information Form also receives an invitation email. The invitation emails will come from services@sertifi.com.
4. The electronically signed adoption agreement, trust and custodial agreement, and additional reference materials are the plan sponsor's executed plan documents. These documents can be printed or saved after all signatures are received.
5. The plan sponsor will also receive the following correspondence while establishing services:
 - A welcome email will be sent to the plan sponsor and financial advisor from Ascensus outlining services, contact information for Ascensus, and other helpful information. The welcome email will come from PershingPlanDocs@ascensus.com.
 - Two emails will be sent to the plan sponsor from our secure online payment management website, Billtrust. The first email will contain information on accessing their account on the Billtrust website and the second email will include their initial invoice for their enrollment fee. These emails will come from ascensus@billtrust.com.



Plan documents will not be processed if the Contact Information Form, within the PDQ or DSA is incomplete, unsigned, or illegible. Additionally, each participant will need to work with their financial adviser to establish an account with Pershing by completing Pershing's account setup form(s).

Contact Information Form

Financial Organization Information

| | |
|---|--|
| Employer Primary Account Number <i>(financial organization account number)</i> NOTE: Account number is not required to process the PEK. | |
|---|--|

Employer Information

| | |
|---|--|
| Employer Name (“Client”, as listed in DSA) | |
| Plan Name (“Plan”, as listed in DSA) | |
| Legal Address of Employer <i>(P.O. box is not accepted)</i> | |
| Mailing Address <i>(if applicable)</i> | |
| City, State, Zip | |
| Name of Primary Signer at Employer | |
| Title of Primary Signer | |
| Phone Number of Primary Signer | |
| Email Address of Primary Signer <i>(Required)</i> | |

(This person is typically the business owner who will sign as Adopting Employer on the Adoption Agreement and is able to make plan document changes.)

NOTE: Plans will not be enrolled in the Ascensus pre-approved document service without a valid primary signer email address.

Additional Plan Contact at Employer

(Optional. This person will not sign the adoption agreement.)

| | |
|---|--|
| Name of Additional Plan Contact | |
| Phone Number of Additional Plan Contact | |
| Email Address of Additional Plan Contact | |

By signing this PDQ, I authorize Ascensus to provide information or documentation related to the employer or the plan to the Additional Plan Contact at Employer listed above, upon their request. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Below in Part A, enter the individual's name who will be the plan's discretionary trustee (may not be Ascensus or any of its employees or representatives). A trustee must be named for the plan, if no Trustee is listed below, the primary signer will be listed as the Trustee for the plan.

Trustee and Authorized Individual

(The trustee may direct Ascensus to make plan document changes. This person will sign additional form.)

Part A. Trustee Information

| | |
|---|--|
| Name of Trustee | |
| Email Address of Trustee <i>(Required if trustee and primary signer are different individuals)</i> | |
| Legal Address of Trustee <i>(P.O. box is not accepted)</i> | |
| City, State, Zip | |
| Phone Number of Trustee | |
| Title of Trustee | |

NOTE: If you have more than one trustee for the plan, list additional trustees in the **Comments/Notes** section of this form.

Part B. Agent for Service of Legal Process (Complete if different than Trustee)

The Agent for Service of Legal Process is the individual who should receive legal paperwork if a claim is to be made against the plan (to be reflected in the summary plan description). This individual will be the same as the individual named in Part A, **Trustee Information**, unless a different name or address is listed below.

| | |
|--|--|
| Name of Legal Agent | |
| Business Address (P.O. box is not accepted) | |
| City, State, Zip | |

Part C. Limited Trustee (Complete if different than Trustee)

A limited trustee is appointed solely for the purposes of ensuring the timely collection and deposit of employer contributions. If no limited trustee is listed below, the individual trustee listed in Part A of this section will be deemed to be a limited trustee. A limited trustee cannot be a financial organization.

| | |
|---|--|
| Name of Limited Trustee | |
| Email Address of Limited Trustee | |
| Legal Address (P.O. box is not accepted) | |
| City, State, Zip | |
| Phone Number of Limited Trustee | |
| Title of Limited Trustee | |

Financial Advisor Information

| | |
|---|--|
| Financial Organization Name | |
| Name of Financial Advisor | |
| Phone Number of Financial Advisor | |
| Email Address of Financial Advisor | |

By signing this PDQ, I authorize that Ascensus may provide information or documentation related to the employer or the plan to the financial advisor listed above according to Section 6.01 of the DSA. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Client Service Associate (Optional)

| | |
|--|--|
| Name of Client Service Associate | |
| Phone Number of Client Service Associate | |
| Email Address of Client Service Associate | |

By signing this PDQ, I authorize Ascensus to provide information or documentation related to the employer or the plan to the financial advisor's client service associate listed above, upon their request. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Plan Design Questionnaire

This Plan Design Questionnaire (PDQ) gathers information needed to prepare an Ascensus pre-approved plan document. Ascensus is the Pre-Approved Plan Document Provider for your qualified retirement plan. To establish or restate your qualified retirement plan document, follow the instructions below.

- Employer must complete the Contact Information Form, PDQ, and Document Service Agreement (DSA).
- Once Ascensus receives the completed forms, Ascensus will prepare the pre-approved plan document based upon the information provided in the PDQ.
- Ascensus will post the drafted documents to a secure website and will provide the employer with an email detailing how to access the site to retrieve the plan documents. All correspondence in connection with this service is conducted electronically.
- Upon receipt of the documents, the employer must confirm that the elections in the adoption agreement are correct, then sign and date the adoption agreement and all applicable amendments. (Ascensus recommends that the employer consult with a legal or tax advisor to review all plan selections—including any provisions defaulted to those frequently selected by employers, as further described later in this PDQ. Once the adoption agreement is signed, provisions can be changed only by a formal plan amendment.)
- The employer must return a copy of the signature documents to Ascensus.
- The employer should retain the original adoption agreement, basic plan document, summary plan description (if applicable), and all applicable plan amendments.
- Ascensus will provide future amendments to the pre-approved document through the secure website (whether the amendments are required by the IRS or requested by the employer).

Part I – Plan Design Information

1. Employer's Tax Year End (Month/Day) _____ / _____ (If no date is entered, your Tax Year End will be defaulted to December 31)
2. Type of Business Organization (Select one only)
 Sole Proprietorship Partnership Limited Liability Company Nonprofit
 C Corp S Corp Other _____

NOTE: Business organization definitions are available at www.irs.gov (keyword "Business Structures").

3. Employer Identification Number (EIN) _____ - _____ (Must be employer's Tax ID number – not a Social Security number)

NOTES:

Ascensus requires that a plan EIN, not a Social Security number, be used for plan identification. If you do not have an EIN for your plan, you can easily obtain one at no cost by accessing the IRS EIN website at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.

The Internet EIN application is the preferred method for clients to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. The online application process is available for all entities whose principal business, office or agency, or legal residence (in the case of an individual), is located in the United States or U.S. Territories. The principal officer, general partner, grantor, owner, trustor, etc. must have a valid Taxpayer Identification Number (Social Security number, EIN, or Individual Taxpayer Identification Number) in order to use the online application.

Use IRS Form SS-4, Application for Employer Identification Number, to apply for an EIN. Form SS-4 is available at www.irs.gov (keyword "EIN").

4. Trust Identification Number (TIN) _____ - _____ (i.e., separate Trust ID number for the plan, if applicable)

NOTE: Only provide as needed. This is required if your plan assets will be held at a Trust. This is not the same as an EIN or SSN. Use IRS Form SS-4 application to apply for a TIN. Form SS-4 is available at www.irs.gov (keyword "Trust").

5. Internal Revenue Service (IRS) three-digit Plan Sequence Number (e.g., 001) _____ (If no number is entered, your Plan Sequence Number will be defaulted to "001")



If this is the first plan the employer has ever maintained, use 001. If this is a new qualified retirement plan, but not the employer's first qualified retirement plan, take the last plan sequence number used by the employer and add one. If this is a restatement or amendment of an existing plan, use the same plan sequence number on the prior adoption agreement or most recent Form 5500. This number, in conjunction with the EIN, is used by the IRS and DOL to identify the plan.

6. **Plan Effective Date:** Indicate below if this is a new plan or a restatement or amendment to an existing plan. A new plan is typically a start-up plan with no assets (*i.e.*, a plan not moving from another brokerage or investment firm). A restatement or amendment is a takeover plan with existing assets. **The employer must select A or B (and C, if applicable).**
- A. **New Plan:** The plan's effective date is (Month/Day/Year) ____/____/____ (If option A is selected, and no date is provided, the effective date will be the first day of the first month of the employer's current tax year.)



The effective date cannot be earlier than the date the employer is established. For new startup plans making a profit sharing contribution in the first year: the plan's effective date should be the first day of the tax year if 1) the employer wants to make a profit sharing contribution in the first tax year, and 2) the employer chooses to use full-year compensation for employees who become eligible to enter the plan on the first day of the tax year. If the effective date is any day other than the first day of the tax year and the employer makes a profit sharing contribution in the first tax year, only compensation earned as of the participant's actual entry date (which would be on or after the effective date) will be used for allocation purposes.

- B. **Restatement or Amendment:** The initial plan adoption was effective on (Month/Day/Year) ____/____/____ (If option B is selected, a date is required, this date can be found on a prior plan document)
- The restatement or amendment effective date will be 15 days after Ascensus receives this PDQ, unless a later date is indicated (Month/Day/Year) ____/____/____
- C. **Frozen Plan:** Effective on (Month/Day/Year) ____/____/____ (If option C is selected, a date is required), this plan became a frozen plan. The employer will not make additional contributions to the plan after the date the plan was frozen.

NOTE: If the Frozen Plan box is checked and no date is provided, the adoption agreement will be drafted as a frozen plan with an effective date equal to the restatement or amendment effective date indicated above. If option C is selected, option A or B must also be selected.

Part II – Eligibility

7. **Age:** An employee must be at least 21 years old to participate in the plan, unless a younger age is indicated below:
- Age 18 Other _____ (may not be greater than age 21)
8. **Service:** An employee must complete at least one year (12 months) of eligibility service before being permitted to participate in the plan, unless a different eligibility service requirement is indicated below:
- No eligibility Other _____ (months)
- NOTE:** For 401(k) plan elective deferrals, "Other" number may not be greater than 12 months. For a profit sharing or money purchase pension plan, "Other" number may not be greater than two years. If more than one year is selected, the plan requires 100% vesting.
9. **Entry Dates:** Coincident with (or after) meeting the plan's eligibility requirements, an employee may enter the plan on the first day of the plan year and the first day of the seventh month of the plan year (*semi-annual entry dates*), unless the employer indicates a different entry date frequency below.
- Immediately Monthly Quarterly Other _____

Part III – Employee Contributions

If elective deferral contributions are a feature of this Plan, check the box below and complete this section. If there are no elective deferrals contributions, skip this section.

- 401(k) Pretax and Roth Elective Deferrals** (Not available on a Money Purchase Pension Plan.)
10. If this is a restatement and amendment, are pretax elective deferrals being offered for the first time?
- Yes No **NOTE:** If no election is selected, "No" will apply
11. Roth elective deferrals will not be permitted, unless selected below.
- Yes, Roth elective deferrals will be permitted
- If yes, are Roth elective deferrals being permitted for the first time?**
- Yes No **NOTE:** If no election is selected, "No" will apply

Part IV – Employer Contributions

Check the box for the applicable employer contributions below and complete the question. Skip all employer contributions sections that are not applicable for your plan. 401(k) ADP/ACP Safe Harbor, 401(k) Match and Profit Sharing contributions are not available on a Money Purchase Pension Plan.

401(k) ADP/ACP Safe Harbor Contributions (Not available on a Money Purchase Pension Plan.)

12. Will the 401(k) ADP test safe harbor provisions apply to this plan?

Yes No **NOTE:** If no election is selected, “No” will apply

If yes, answer the remainder of question 12.

Which of the following ADP test safe harbor contributions will be made each plan year? (select one)

Safe Harbor Matching Contribution – the basic matching contribution equal to 100% of the participant’s elective deferrals that do not exceed 3% of the participant’s compensation plus 50% of the participant’s elective deferrals between 3% and 5% of the participant’s compensation.

Safe Harbor Nonelective Contribution – a nonelective contribution to each eligible participant, whether or not they defer into the plan, in an amount equal to _____% (not less than 3% of the participant’s compensation).

NOTE: If no ADP test safe harbor contribution election is indicated, the safe harbor matching contribution will apply. If an ADP safe harbor contribution is made, these will have 100% immediate vesting.

13. Will you make an additional discretionary ACP Safe Harbor Matching Contribution?

Yes No **NOTE:** This question only applies if you answered yes to Question 12. If no election is selected, “No” will apply.

NOTE: This additional contribution is not required. If selected, you may not contribute matching contributions on elective deferrals that exceed 6% of compensation. The total discretionary matching contribution cannot exceed 4% of compensation.

ACP Safe Harbor Matching Contributions will vest based on the schedule in question 15. Please complete question 15.

401(k) Matching Contributions (Not available on a Money Purchase Pension Plan.)

14. Will the employer make a “regular” matching contribution to the plan (**Non-Safe Harbor match**)?

Yes No **NOTE:** If no election is selected, “No” will apply

If yes, complete one of the following

Matching contributions will be made at a rate of _____% of the participant’s elective deferrals that do not exceed _____% of compensation.

Discretionary – the employer will determine the matching formula from year to year.

NOTE: If no matching contribution election is indicated, matching contributions will be discretionary. If you make a matching contribution based on a discretionary formula, you must provide the plan administrator instructions on how the formula is to be allocated to participants and the match computation period used to calculate the match. In addition, a summary of these instructions must be communicated to each participant receiving the match no later than 60 days after the date on which the last discretionary matching contribution is made to the Plan for the plan year.

15. Matching contributions will vest according to the following schedule unless there is an eligibility requirement greater than one year, in which case 100% immediate vesting is required. (select one)

| Years of Service | <input type="checkbox"/> Option 1 | <input type="checkbox"/> Option 2 | <input type="checkbox"/> Option 3 | <input type="checkbox"/> Option 4 (Complete if chosen) |
|------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| 0 | 100% | 0% | 0% | _____% |
| 1 | 100% | 0% | 0% | _____% |
| 2 | 100% | 0% | 20% | _____% (not less than 20%) |
| 3 | 100% | 100% | 40% | _____% (not less than 40%) |
| 4 | 100% | 100% | 60% | _____% (not less than 60%) |
| 5 | 100% | 100% | 80% | _____% (not less than 80%) |
| 6 | 100% | 100% | 100% | 100% |

NOTE: If no vesting option is selected, Option 1 will apply.

16. The matching contribution computation period applicable to matching contributions will be (Select one. If matching contributions are not available under the Plan, select "Not applicable"):

- The employer's payroll period
- Monthly
- Quarterly
- Semi-Annually
- Annually
- Not applicable

NOTE: If Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the Matching Contribution based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period. The Matching Contribution Computation Period will apply to all Matching Contributions made on account of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) including QACA ADP Test Safe Harbor Contributions, QACA ACP Test Safe Harbor Contributions, ADP Test Safe Harbor Contributions, ACP Test Safe Harbor Contributions and Qualified Matching Contributions. If no option is selected above, your plan will be prepared with a match computation period of annually.

Profit Sharing Contributions (Not available on a Money Purchase Pension Plan.)

17. If elected, profit sharing contributions will be allocated pro rata unless an integrated formula is indicated.

- Integrate profit sharing contributions with Social Security.

18. Profit Sharing contributions will vest according to the following schedule unless there is an eligibility requirement greater than one year, in which case 100% immediate vesting is required. (select one)

| Years of Service | <input type="checkbox"/> Option 1 | <input type="checkbox"/> Option 2 | <input type="checkbox"/> Option 3 | <input type="checkbox"/> Option 4 (Complete if chosen) |
|------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| 0 | 100% | 0% | 0% | _____ % |
| 1 | 100% | 0% | 0% | _____ % |
| 2 | 100% | 0% | 20% | _____ % (not less than 20%) |
| 3 | 100% | 100% | 40% | _____ % (not less than 40%) |
| 4 | 100% | 100% | 60% | _____ % (not less than 60%) |
| 5 | 100% | 100% | 80% | _____ % (not less than 80%) |
| 6 | 100% | 100% | 100% | 100% |

NOTE: If no vesting option is selected, Option 1 will apply.

Money Purchase Pension Contributions (Not available on 401(k) Profit Sharing Plans.)

19. Money purchase pension contributions will be allocated as follows

- An amount equal to _____ % (not to exceed 25%) of a participant's compensation each year.

20. Money Purchase Pension contributions will vest according to the following schedule unless there is an eligibility requirement greater than one year, in which case 100% immediate vesting is required. (select one)

| Years of Service | <input type="checkbox"/> Option 1 | <input type="checkbox"/> Option 2 | <input type="checkbox"/> Option 3 | <input type="checkbox"/> Option 4 (Complete if chosen) |
|------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|
| 0 | 100% | 0% | 0% | _____ % |
| 1 | 100% | 0% | 0% | _____ % |
| 2 | 100% | 0% | 20% | _____ % (not less than 20%) |
| 3 | 100% | 100% | 40% | _____ % (not less than 40%) |
| 4 | 100% | 100% | 60% | _____ % (not less than 60%) |
| 5 | 100% | 100% | 80% | _____ % (not less than 80%) |
| 6 | 100% | 100% | 100% | 100% |

NOTE: If no vesting option is selected, Option 1 will apply.

Part V – Distributions

21. If a terminated participant does not elect a distribution option, the vested balance will be paid out of the plan in a single lump sum if the vested account balance is \$1,000 or less, unless otherwise indicated below:

- \$5,000 **NOTE:** A cashout level exceeding \$1,000 will subject the Plan to the automatic rollover requirements of Code section 401(a)(31)(B).
- Not Applicable **NOTE:** If selected, you may skip to Question 22. The value of the Vested portion of the Participant's Individual Account must remain in the Plan until the Participant is entitled to, and provide consent before, a distribution.

Rollover Contributions will be included in the determined value of a Participant's Vested Individual Account, unless otherwise indicated below:

Rollovers will not be included.

22. Participants will be entitled to request a hardship distribution of their elective deferrals and employer matching and profit sharing contributions unless indicated (*select those that apply, not applicable for Money Purchase Pension plans*).

Hardship distributions of elective deferrals are not permitted.

Hardship distributions of employer matching contributions and profit sharing contributions are not permitted.

Part VI – Other Plan Elections

23. Loans are not permitted from the plan, unless indicated.

Yes, loans are permitted from the plan.

If Yes, the minimum loan amount will be \$1,000 unless a lesser amount is indicated \$_____ (**not to exceed \$1,000**).

Two loans will be the maximum number of outstanding loans at one time, per participant, unless indicated _____

The loan interest rate will be Prime + 1%, unless indicated.

Prime Other _____ (*If "Other" is selected, the loan interest rate must reflect prevailing market rates for similar loans*)

NOTE: *The maximum amount of all outstanding loans cannot exceed the lesser of half of the participant's vested account balance or \$50,000. In addition, plan loans shall be available without regard to the intended use of the loan.*

24. The plan intends to meet the requirements of ERISA Section 404(c) unless indicated.

No, the plan does not intend to meet the requirements of ERISA Section 404(c).



Providing that an employer meets the requirements of ERISA Section 404(c) and prudently selects a sufficiently broad range of investment alternatives for its participants, the employer may shift the responsibility for investment selection directly to the participants and beneficiaries and may be absolved of any liability for the performance of the investments selected by the participants or beneficiaries. If the employer intends to have the plan meet the ERISA Section 404(c) requirements, the employer must ensure that it takes the appropriate steps to comply with ERISA Section 404(c). This includes, but is not limited to, providing applicable notices and education to participants and beneficiaries.

Additional Comments/Notes

Use this section to provide any additional information that will assist us in preparing the plan document (*attach additional page(s) if necessary*).

Plan Design Assumptions

In addition to the choices made on the prior pages, the following plan provisions will apply to your qualified plan. If you require any changes to the following assumptions, please contact Ascensus to discuss options available.

Eligibility

Eligibility Computation Period. The initial eligibility period is from the date of hire to the first anniversary of that date. Once that initial period is completed, if an employee has not met the plan's eligibility requirements the eligibility period will switch to the plan year.

Eligibility Requirements. All employees must satisfy the requirements to become eligible. A year of eligibility service means an eligibility computation period in which an employee completes 1,000 hours of service. To avoid a break in eligibility service, a participant must exceed 500 hours of service.

Excludable Employees. Union employees and nonresident aliens are excluded from the plan. Acquired employees will be excluded during the transition period as applicable. All other employees of the adopting employer and employees of related employers will not be excluded from the plan.

Long Term Part Time Employees Eligibility. Effective for 2021 and later plan years, employers are required to track all employees' hours and permit employees who have satisfied the plan's minimum age requirement and who have worked 500 or more hours in three consecutive years, to make elective deferrals to the employer's plan. The SECURE 2.0 Act shortens the period for these long-term, part-time employees from three years to two, effective for 2025 and later plan years. A long-term, part-time employee will be eligible to become a participant in the plan for purposes of elective deferrals.

Contributions

ADP and ACP Testing Method. For purposes of ADP and ACP testing, the prior-year testing method will be used unless the employer has elected to make ADP safe harbor contributions, in which case the current-year testing method will apply. If this is not a successor plan, for the first plan year that the plan permits elective deferrals, nondeductible employee contributions, or matching contributions, the ADP and ACP for nonhighly compensated employees shall be 3%.

ADP Test Safe Harbor Contributions. If elected, safe harbor contributions will be made on behalf of all eligible participants. The employer will not make additional ACP test safe harbor contributions.

Mid-Year and Retroactive Adoption of ADP Safe Harbor. If this is a restated plan, the ability to adopt an ADP safe harbor contribution mid-year or retroactively does not apply.

Age 50 Catch-Up Contribution. All participants who are eligible to make elective deferrals under the plan and who reach age 50 before the close of the plan year will be eligible to make age 50 catch-up contributions. The matching contribution formula selected for ADP/ACP Safe Harbor or regular matching contributions will apply to catch-up contributions.

Automatic Contribution Arrangement (ACA), Eligible Automatic Contribution Arrangement (EACA), and Qualified Automatic Contribution Arrangement (QACA) of Elective Deferrals. Automatic contribution arrangements of elective deferrals do not apply. Elective deferrals will be contributed to the plan only at the participant's request.

Benefit Accrual. Employees who cannot be reemployed because of death or disability incurred while performing qualified military service will not be considered reemployed under USERRA. These employees will not be entitled to benefit accruals for the time they were providing military service or for the plan year in which the death or disability occurred.

Effective Dates for Elective Deferrals. If this is a new plan or if this is an amendment that is adding an elective deferral option (either pretax or Roth), the effective date for elective deferrals is the next payroll date coinciding with or following the later of 1) the date the adoption agreement is signed, or 2) the plan effective date provided. The date specified for pretax elective deferrals must either be the same date or an earlier date than that selected for Roth deferrals.

Elective Transfer Contributions. Subject to uniform and nondiscriminatory rules, the employer may permit elective transfer contributions by employees. Participants may withdraw their elective transfer contributions at any time.

Forfeitures. Forfeitures of matching, profit sharing, and excess aggregate contributions may always be used to pay plan expenses. Any forfeitures remaining after plan expenses will be applied to reduce employer contributions.

In-Plan Roth Rollovers. In-plan Roth rollovers are not permitted in the plan.

Limits on Elective Deferrals. A participant may defer any dollar amount or percentage of compensation up to the limits permitted by laws and regulations.

Nondeductible Employee Contributions. Nondeductible employee contributions will be permitted into 401(k) profit sharing plans, but will not be permitted into money purchase pension plans.

Profit Sharing Contribution Formula. The employer may contribute an amount to be determined from year to year. The discretionary amount will be allocated using the same formula for all participants and cannot vary by location or business classification. If the integrated allocation formula is selected, the excess integration formula will be used and the integration level will be 100% of the taxable wage base.

Qualifying Contributing Participant. A contributing participant who is employed on the last day of the plan year or works at least 500 hours will be eligible to receive an employer matching contribution.

Qualifying Participant. A participant who is employed on the last day of the plan year or works at least 500 hours will be eligible to receive an employer profit sharing or money purchase pension contribution.

Rollovers. The plan will accept direct or indirect rollover contributions of pretax amounts from a qualified retirement plan described in Internal Revenue Code Section (IRC Sec.) 401(a) or 403(a), a 403(b) plan, and an eligible governmental 457(b) plan (excluding nondeductible employee contributions). The plan will accept rollover contributions only from employees who are not in an excluded class. In addition, the plan will accept rollover contributions of pretax amounts from a Traditional IRA. If the plan allows participants to make Roth elective deferrals, the plan will accept direct rollover contributions of Roth assets or indirect rollover contributions of earnings on Roth Elective Deferrals. Participants may withdraw their rollover assets at any time.

Roth Elective Deferrals. If Roth elective deferrals are permitted in this plan, unless noted, the term “elective deferral” includes both pretax elective deferrals and Roth elective deferrals.

SIMPLE 401(k) Provision. The SIMPLE 401(k) provisions are not available.

Top-Heavy Contributions. If the plan is top-heavy, the employer will make any mandatory top-heavy contribution to this plan and will allocate it only to nonkey employees. If the employer makes profit sharing contributions during a year in which the plan is top-heavy and the allocation of the profit sharing contribution does not satisfy the top-heavy minimum requirement, the employer will allocate an additional contribution to nonkey employees in an amount necessary to satisfy the top-heavy minimum contribution. It is assumed that the employer has not maintained a defined benefit plan.

Vesting. All of a participant’s years of service with the employer will be counted to determine a participant’s years of vesting service. A year of vesting service means a plan year during which the participant completes 1,000 hours of service. A participant must exceed 500 hours of service to avoid a break in vesting service. A participant will be fully vested upon attainment of normal retirement age, plan termination, complete discontinuance of employer contributions, death, disability (including disability while performing military service if unable to be reemployed), or early retirement age.

Distributions and Loans

2020 Required Minimum Distribution Payment Election. If a participant or beneficiary had the choice to receive or remove their 2020 RMD or extended 2020 RMD but did not elect to do so, such amount was retained within the plan.

Distributable Events. A participant’s full vested balance will be available for distribution when the participant terminates employment, attains age 59½ (does not apply to Money Purchase Pension plans), incurs a disability, dies, attains normal retirement age, or upon plan termination. In-service distributions are also available as described below.

Distribution Options for Military Personnel. Qualified reservists can take a distribution of their elective deferrals. Participants who are performing qualified military service and are deemed to have severed their employment may take a distribution of elective deferrals, QNECs, and QMACs. In addition, participants on active military duty for at least 30 days may take a distribution of their elective deferrals.

Distributions During Employment Upon Attainment of a Specified Age. If there are transferred Money Purchase Pension assets in the plan, effective the first day of the plan year beginning on or after January 1, 2023, a participant who has attained the age of 59½, but has not incurred a termination of employment, will be entitled to request an in-service distribution of all or part of the vested portion of their Individual Account attributable to transfers of money purchase pension contributions if they are eligible to receive an in-service distribution of any employer contributions under the Plan.

Forms of Distributions. Participants may take distributions in one or more of the following forms of payment: 1) in a lump-sum payment, 2) in a partial payment, 3) in installment payments, or 4) they may apply the distribution towards the purchase of an annuity contract. For married participants, spousal consent is required for certain distributions.

Hardship Distributions. Hardship distributions of elective deferrals will be restricted to the safe harbor expenses, which are 1) medical care, 2) purchase of a principal residence, 3) tuition, 4) prevention of eviction or foreclosure, 5) funeral or burial expenses, 6) casualty losses, and 7) expenses and losses (including loss of income) incurred by the employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA). If an employee takes a hardship distribution it will include earnings, a six month suspension on elective deferrals will not apply and employees will not be required to take a plan loan before receiving a hardship distribution. Hardship distributions of matching or profit sharing contributions are available to participants when there is an immediate and heavy financial need. This includes, but is not limited to, the safe harbor reasons listed above. The plan will not permit hardship distributions on account of a hardship incurred by the participant’s primary beneficiary.

In-Service Distributions of Elective Deferrals. Unless the request is because of a financial hardship, participants must be at least age 59½ before they can request an in-service distribution of their elective deferrals.

In-Service Distributions of Matching and Profit Sharing Contributions. An employee who has been a participant for at least five years may receive an in-service distribution of the entire vested account balance resulting from matching and profit sharing contributions. An employee who has been a participant in the plan for less than five years may withdraw only the vested amount that has been in the plan for at least two full plan years.

Loan Limits. Loans will default for failure to remit payment in a timely manner, for any breach of the Borrower’s obligation under the loan agreement, or upon separation from service.

Qualified Birth or Adoption Distributions. Qualified birth or adoption distributions will not be allowed.

Required Beginning Date. For purposes of determining when required minimum distributions must begin under the Plan, the required beginning date is the later of the April 1 of the calendar year following the calendar year in which a participant reaches age 73 (age 70½

if the participant attained age 70½ before 1/1/2020, and age 72 if the participant turned age 72 after 12/31/2019 but before 1/1/2023) or retires, except that distributions to a five-percent owner must begin by April 1 of the calendar year following the calendar year in which the participant reaches age 73 (age 70½ if the participant attained age 70½ before 1/1/2020, and age 72 if the participant turned age 72 after 12/31/2019 but before 1/1/2023).

Birth Date

June 30, 1949 or Earlier

July 1, 1949 through and including December 31, 1950

January 1, 1951 and Later

Age to begin RMDs

Age 70½

Age 72

Age 73

Other Plan Elections

Compensation. For contribution purposes, compensation will be defined as W-2 compensation. Compensation will include deferrals under cafeteria plans, qualified transportation fringe benefit plans, 401(k) plans, salary deferral SEP plans, and 403(b) tax-sheltered annuity plans. The compensation measuring period will be the plan year and will include only compensation from the time the employee became a plan participant. Compensation will not include any deemed IRC Sec. 125 compensation. A participant's regular compensation received within 2½ months after severing employment (or after the end of the limitation year, if later) will be included in the compensation definition. A participant's leave payments and deferred compensation received after severing employment will not be included as compensation. For any self-employed individual covered under the plan, compensation means earned income. Differential wage payments provided to individuals who are active duty members of the uniformed services will be included in compensation.

Early Retirement Age. An early retirement age provision will not apply.

Hours of Service. Hours of service will be determined based on the actual hours for which an employee is paid or entitled to payment.

Investment Elections. Participants will be permitted to select investments for their entire account, choosing from the investment options available under the plan. Life insurance and qualified longevity annuity contracts will not be permitted as investment options in the plan.

Limitation Year. For purposes of annual additions testing under IRC Sec. 415, the limitation year is the plan year.

Normal Retirement Age. The normal retirement age for 401(k) Profit Sharing plans will be age 59½. The normal retirement age for Money Purchase Pension plans will be age 62.

Plan Year. The plan year end will coincide with the employer's tax year end.

Predecessor Service. For eligibility, vesting, or contribution allocation purposes, an employee will not receive credit for service with a predecessor employer.

Employer Agreement and Signature

1. I have read and understand the choices elected within this PDQ. The information provided in this PDQ and any ancillary information provided for the purposes of completing the plan documents are, to the best of my knowledge, correct and complete.
2. I represent that I am authorized to sign on behalf of the employer (e.g., President, Officer, or other person legally authorized to act on behalf of the entity that established or is establishing the plan).
3. I understand that Ascensus does not provide legal nor tax advice and I have consulted with my legal and tax advisors regarding the plan and the PDQ. If there is a prior plan document, I understand that I am responsible for ensuring that appropriate protected benefits are preserved as required by the Internal Revenue Code. I also understand that Ascensus has not reviewed the prior document.
4. I agree to receive all pre-approved plan document communication by email and to notify Ascensus of any change in email address. I understand that failure to notify Ascensus of any email address change may result in the plan not receiving required IRS restatements or amendments and can result in the disqualification of the plan by the IRS. I also acknowledge that Ascensus may provide information or documentation related to me, the employer, or the plan to the financial advisor listed above. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.
5. I understand that this PDQ is not an adoption agreement. Upon receipt of this PDQ, Ascensus will create an adoption agreement for my signature along with other materials, including the corresponding amendments and basic plan document. For a newly adopted plan, the adoption agreement and any applicable amendments must be signed by the end of the plan year in order to make a contribution for that plan year.
6. I understand that this PDQ must be submitted to Ascensus with a completed and signed DSA before my adoption agreement will be processed and delivered to me.
7. I understand that after the adoption agreement has been signed, future changes to plan provisions can be made only by a formal plan amendment.

Authorized Signature

Name

Date



Return the Contact Information Form, PDQ, and DSA to Ascensus using one of the following delivery methods.

Email PershingPlanDocs@ascensus.com

Regular Mail

Ascensus DCS Unit
PO Box 577
Fort Washington, PA 19034

Express or Overnight Mail

Ascensus DCS Unit
575 Pinetown Road #577
Fort Washington, PA 19034

Neither Ascensus nor any of its employees provide legal or tax advice. You must consult with your legal or tax advisor when making decisions about a retirement plan.