



401(k) PLANS

In today's environment, 401(k) Plans are the fastest growing and most popular employee benefit. Because they offer such an effective means of saving for retirement, many employees are currently choosing to build their own pre-tax retirement accounts in 401(k) Plans.

- **Employee Contributions** – Employees can elect to defer up to \$16,500 into the plan. Employee contributions are pre-tax and are always fully vested.
- **Catch-up Contributions** – Employees age 50 and over can make a special catch-up contribution of \$5,500 during 2010.
- **Employer Matching Contributions** – Employers can choose to match employee contributions. Many employers match at a rate of 25%, 50%, or even 100% of the amount the employee contributes. Employers receive a tax deduction for matching contributions.
- **Employer Profit Sharing Contributions** – Employers can also elect to make discretionary profit sharing contributions. These contributions can be in addition to Employer Matching Contributions, but are generally not required. Please see our *Profit Sharing Plans* brochure for more information about how these contributions might be appropriate in your plan.
- **Flexible Investments** – 401(k) Plans permit many types of investments, including mutual funds and other investments offered through your financial advisor.
- **Daily Valuations** – Most 401(k) Plans today take advantage of daily valuation record-

keeping services offered through a mutual fund company or other investment provider. These systems allow employees to obtain information about their account, make transfers among the investment choices, and receive distributions and loans on a "daily" basis.

- **Internet Access** - All daily valuation recordkeeping systems allow participants to have access to their accounts via the Internet. Many of these systems also allow employers to submit payroll information and obtain employer-level reports via the Internet. July Business Services can assist you and your financial consultant in choosing a daily valuation system.

JULY BUSINESS SERVICES

The professionals at July Business Services have more than 25 years experience in designing, installing, and operating 401(k) Plans. We can provide you with the information and tools you need to make your 401(k) Plan a success. Services include:

- Plan Design & Document Services
- Employee Communications
- Nondiscrimination Testing
- Distribution & Loan Processing
- Tax Compliance

For more detailed information on 401(k) Plans, please visit our website at www.julybusiness.com.