ABA Retirement Funds

SAFE HARBOR 401(K) PLAN NOTICE TO EMPLOYEES

FROM: The Plan Administrator of the ____

____ Plan (the "Employer Plan")

PLAN SPONSOR:

____ (the "Employer" or the "firm")

If you have received this Safe Harbor Notice, our records show that you are a Participant in the firm's Plan, listed above, or that you are an Eligible Employee who is soon to become a Participant. This annual Safe Harbor Notice is required by the Internal Revenue Service (IRS) to provide important information about your participation in the Plan for the coming year.

The Plan allows both Participants and the Employer (the firm) to make contributions to the Plan. One of the contributions made by the firm is called a "Safe Harbor" contribution. A plan with a Safe Harbor design automatically satisfies certain nondiscrimination testing requirements by providing a specified level of contributions and meeting certain other requirements.

Please carefully read and consider the following information before you decide whether to begin making 401(k) Elective Contributions to the firm's Plan, to continue making such contributions or to change the amount you already contribute.

Please be aware, however, that the Plan has specific legal documents that control the Plan's provisions. In the event there is a discrepancy between this notice and the terms of the Plan, the Plan's legal documents will control.

1. CONTRIBUTIONS

A. Employee Contributions:

401(k) Elective Contributions. As a Participant in the Plan, you may choose to have your Compensation reduced by a certain percentage or dollar amount each pay period and remitted to your 401(k) Plan account on your behalf as a 401(k) Elective Contribution.

When you become a Participant in the Plan, the firm's Plan Administrator will provide you with an enrollment form that you must use to decide whether to make 401(k) Elective Contributions and, if so, the amount. If you are already a Participant, the firm will provide you with a salary reduction agreement that will enable you to make, modify, suspend or resume 401(k) Elective Contributions.

The final page of this Notice includes information about any limit on the percentage of your Compensation that you may defer as 401(k) Elective Contributions, when and how often each year you may change your Elective Contributions, and other related procedures.

B. Safe Harbor Employer Contributions. If you are an eligible Participant, your 401(k) Plan account will be credited in the coming plan year with the Safe Harbor Employer contribution selected below:

☐ **1(a) Safe Harbor Nonelective Employer Contribution.** If you are a Participant in the Plan at any time during the year, a Safe Harbor Nonelective Contribution equal to __________% of your eligible Compensation for the plan year will be allocated on your behalf regardless of whether you make 401(k)Elective Contributions.

☐ **1(b) Safe Harbor Nonelective Employer Contribution to Another Plan.** If this box is selected, the Safe Harbor Nonelective Employer Contribution will not be credited to this Plan, but to the following plan:

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Consult the Summary Plan Description (SPD) available from the firm's Plan Administrator for the above-named plan for more information about that plan's provisions, including additional contributions, vesting and distributions.

The Employer may amend the Plan to reduce the Safe Harbor Nonelective Employer Contributions (but never to less than 3% of eligible Compensation), or suspend the contributions. Any such amendment will only be effective for the plan year after the plan year in which the amendment is made.

☐ **2. Safe Harbor Matching Contribution.** To be eligible for an allocation of Safe Harbor Matching Contributions, you must be a Participant who makes 401(k) Elective Contributions. The amount of the Safe Harbor Matching Contribution is described in the formula selected below:

☐ **2(a) "Basic" Safe Harbor Matching Contribution.** 100% of your 401(k) Elective Contributions up to 3% of your Compensation, plus 50% of your 401(k) Elective Contributions over 3%, but not over 5% of your Compensation.

☐ **2(b) "Enhanced" Safe Harbor Matching Contribution.** 100% of your 401(k) Elective Contributions not in excess of __________% of your Compensation.

The firm may amend the Plan to change, terminate or reduce the amount of Safe Harbor Matching Contributions, but only with respect to your future 401(k) Elective Contributions. The firm will provide you with notice of such change, termination or reduction at least 30 days before the date the amendment becomes effective.

C. **Other Employer Contributions.** In addition to the Safe Harbor Contribution selected above, the firm may allocate additional contributions on your behalf if you are an eligible Participant. Consult the SPD for more information about other contributions that the firm may make to the Plan. If you do not have a copy of the Plan's SPD, ask the Plan Administrator for a copy.

2. COMPENSATION

Safe Harbor Contributions to the Plan are calculated based on Compensation as that term is defined in the Plan. Consult the Plan's SPD for more information about "Compensation" as it is defined for purposes of the Plan. If you do not have a copy of the Plan's SPD, ask the Plan Administrator for a copy.

3. VESTING

Vesting is the extent of your ownership in the contributions made by you and on your behalf to the Plan. If you end employment with the firm at a time when your contributions (and their earnings, if any) are not 100% vested, you will be entitled to receive the vested portion of the contributions in your 401(k) Plan account, but the non-vested portion will be "forfeited" and retained by the Plan.

Safe Harbor Contributions are always 100% vested, along with certain other contributions to the Plan including Rollover Contributions and 401(k) Elective Contributions (and Post-Tax Contributions, if any).

Contributions that may be subject to vesting include other employer contributions. The firm may require you to complete a certain number of years of service for vesting before the contributions and earnings credited on your behalf in your Plan account will be 100% vested. Generally, a "year of service for vesting" is a 12-month period beginning on the date your employment begins and through each employment anniversary, as described by the "vesting schedule" selected below.

A. ☐ 0% vested until 2 years, 100% at 2 years

B. ☐ 0% vested until 2 years, 20% at 2 years, 40% at 3 years, 60% at 4 years, 80% at 5 years, 100% at 6 years

C. ☐ 0% vested until 3 years, 100% vested at 3 years

D. ☐ ____

E. ☐ All contributions are 100% vested immediately.

Note: Regardless of the vesting schedule, you will automatically become 100% vested when you attain Normal Retirement Age (as defined by the Plan), if you become disabled (as defined by the Plan), if you die or if the Plan terminates.

4. DISTRIBUTIONS

In general, you may not take a distribution of the vested portion of your contributions in the Plan until you have retired or otherwise separated from service with the firm, or have become disabled, or died. Under certain circumstances, you may make withdrawals of your contributions during your employment with the firm, as described below.

A. You may withdraw any amount from your Rollover Contributions (and Post-Tax Contributions, if any) at any time.

B. You may withdraw any amount from your 401(k) Elective Contributions and Safe Harbor Employer Contributions when you have attained age 59½.

C. You may withdraw any amount from the vested portion of your other employer contributions (including Matching Contributions, if any) when you have attained age _______.

D. ☐ If this box is checked, the Employer elects to enable you to make a withdrawal of your vested Nonelective Contributions (and Matching Contributions, if any) if you have been a participant in the Plan for at least 5 years.

E. ☐ If this box is checked, the Employer elects to enable you to make a withdrawal of your vested Matching Contributions and Nonelective Contributions that have been in the Plan for at least 2 years.

F. ☐ If this box is checked, the Employer elects to enable you to convert your vested pre-tax contributions that are eligible for withdrawal (but not for withdrawal on account of hardship) into after-tax Roth Rollover Contributions in the Plan.

G. ☐ If this box is checked, the Employer elects to enable you to make hardship withdrawals.

If Box G, above, is checked and you incur an immediate and heavy financial need, which cannot be satisfied by other sources that are reasonably available to you, you may be eligible to make a hardship withdrawal from your amounts in the Plan. An "immediate and heavy financial need" includes (1) purchase of your principal residence; (2) preventing foreclosure on, or your eviction from, your principal residence; (3) payment of tuition and related expenses for post-secondary education for you, your spouse or dependents; (4) payment of certain medical expenses for you, your spouse or dependents; (5) payment of funeral or burial expenses for certain family members or dependents; or (6) payment of certain expenses to repair damages to your principal residence. Some amounts, including Safe Harbor Employer Contributions, cannot be distributed on account of hardship. See the SPD that is available from the Plan Administrator for more information on hardship withdrawals.

5. CONTACT INFORMATION

A. Employer: ____

Employer Address: ____

City:______________________________ State:________________ Zip Code: __________________

Daytime Telephone Number: (____)_____–__________ Email: ______________________________

B. Employer Plan Number: ___ ___ ___

C. Employer Tax ID Number: ___ ___ – ___ ___ ___ ___ ___ ___ ___

D. Plan Administrator *(The Employer is the Plan Administrator. The individual(s) authorized to act as, or on behalf of the Plan Administrator is/are)*

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IF YOU HAVE ANY ADDITIONAL QUESTIONS, PLEASE CONTACT THE FIRM'S PLAN ADMINISTRATOR OR REFER TO THE SPD AVAILABLE FROM THE FIRM'S PLAN ADMINISTRATOR.