



Tiered Profit Sharing 401k

A Tiered Profit Sharing plan enables a company to identify unique groups within the organization and reward employees a different share of profits per group. It can be a great way to align goals and compensate each group according to their contributions. Tiered Profit Sharing, also called advanced profit sharing, can be a much more cost effective way to provide contributions rather than simply applying the same salary percentage to all employees. Employer profit sharing contributions placed into the 401(k) plan are also tax-deductible for your firm.

There are two typical structures for a ShareBuilder Tiered Profit Sharing 401k. One is called **New Comparability** which categorizes employees into clearly different groups based on income or other criteria of which compensation is a defining component (e.g. a legal firm with partners, attorneys and staff). Each group then receives a contribution that is a different percentage of compensation. The second is called an **Age Weighted** plan which uses age as the primary factor for allocation, with older employees receiving a higher percentage.

Your ShareBuilder 401k Consultant can help you determine if a Tiered structure makes sense for your business. If it does, your Consultant will run customized projections to help you design the most cost effective option for your company's savings and budget goals.

Safe Harbor 401(k) plan with Tiered Profit Sharing

This option adds Tiered Profit Sharing to a [Safe Harbor 401\(k\)](#) plan design. By contributing at least 3% (or by matching 4%) of employees' compensation to the plan, your company typically satisfies the government non-discrimination tests for your plan. In addition to the profit sharing amounts a company provides to each defined employee group, owners and key employees can individually contribute up to the maximum IRS-allowable amount thanks to the Safe Harbor contributions. A Safe Harbor contribution is often needed for many companies to use advanced profit sharing options.

Free quote, more info:
sharebuilder401k.com
800-943-6108 x1

Making it Easy

- Diversified ETFs
- Free model portfolios
- Free quarterly rebalancing
- Free Form 5500 preparation
- Free automatic IRA rollover services
- Free unlimited customer support for participants



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Traditional 401(k) Plan with Tiered Profit Sharing

This option adds Tiered Profit Sharing to a traditional 401(k) plan design. If non-discrimination requirements are met, a larger share of the company's profits may be made on behalf of those employees to whom the employer wants to provide a bigger benefit. A traditional plan enables you to customize vesting schedules and matching options to your preference. Assuming all government tests are satisfied, the company can use new comparability, a cross-tested allocation, or an age weighted method to classify employees and allocate profits accordingly to respective groups. Our Consultants will help you determine the best method.

Tiered Profit Sharing Pricing

Assets	Asset Mgmt. Fee	One-time setup	Monthly admin (Participant size)		
			1-15	16-50	51-100*
\$0 - \$499,999	0.75%	\$995	\$190	\$240	\$325
\$500,000 - \$1.9M	0.65%	\$750	\$150	\$185	\$225
\$2M - \$4.9M	0.55%	\$500	\$75	\$95	\$115
\$5M+	0.45%	no charge	no charge	no charge	no charge

* Larger plans are available for greater than 100 participants. Call your ShareBuilder 401k Consultant at 1-800-943-6108 x1 for more information.

How Automatic Pricing Works

ShareBuilder 401k wants to ensure your plan always delivers great value not only in features and services, but also in price. As your company's total plan assets exceed a pricing tier shown above for a calendar quarter (based on an average of the daily balance), we automatically lower your administration price and asset management fee for the next quarter and on-going. The reverse is also true. If for some reason employees, markets, or other events drop your average asset balance for your company plan below your current level, your administration price and asset fee are adjusted up for the next quarter. All pricing is on a go-forward basis and is not retroactive.

Note that setup charges only apply on the initial purchase and then never again. In the event you purchase during a promotional period, you may not receive the full benefit of the promotion if the value would result in credit back to your company (doesn't go below \$0).