



# 401(k) PROFIT SHARING PLAN

Outline (For plan years beginning in 2023).

**401(k) ROTH** 100%  
up to \$22,500  
(age 50 - \$7,500 Catch-up)

**MATCH**  
Limit combined with  
Profit Sharing

**PROFIT SHARING**  
0-25%  
eligible compensation

## ADP TEST

Usually NHC average  
+ 2% = HC max avg.

## NHC %

5

10

0

5

5% avg. + 2% = 7%

(max HC average is 7%)

## Prior Year Method for First Year

3% assumption + 2% = 5%

## TOP-HEAVY TEST

Keys own 60% of trust

May require 3% PS contribution

## SAFE HARBOR

Auto. pass ADP and top-heavy test, 100%  
vested includes term. emp./ exist 90 days

1) 3% PS contribution

2) Match roughly \$1 for \$1 up to 4% pay  
(6% max)

3) Auto Enroll with 3½% match (vesting)

## TRUST

- Deposits not taxed to employee
- Tax deferred growth
- Protected from creditors

## ALLOCATION

Proportional  
SS Integration  
Age Weighted  
New Comparability

## ELIGIBILITY

Age 21  
1 year  
1,000 hours per year  
Union EE  
30% NHC job class

## VESTING

Effective DOH or plan start  
401(k) - 100%  
PS / Match - usually:  
0 - 20 - 40 - 60 - 80 - 100%

## INDIVIDUAL LIMIT

100% up to \$66,000  
(\$73,500 if age 50)

## COMPENSATION LIMIT

\$330,000