

Newfront Safe Harbor Plan Guide

QACA Safe Harbor 401(k) Plans (with auto enrollment)

Provisions	QACA Basic Match	QACA Enhanced Match	QACA Non-Elective
Initial Default	Default election cannot exceed 10%		
Maximum Default	Maximum election cannot exceed 15%		
Auto Escalation	Initial 3%, 2nd 4%, 3rd 5% later years 6%		
Required Contribution	Match of 100% of the first 1% deferred plus 50% on the next 5% deferred	Match of 100% of the first 3.5% of compensation deferred	Employer contribution of 3% of plan compensation (same as regular SHNEC)
Vesting	100% vesting after 2 Years of Service		
ADP Test Required	No		
May exclude HCEs?	Yes		
May exclude OEX?	Yes - "Otherwise Excludable" Employees (OEX) are those under age 21 and have less than a Year of Service and may be excluded from required employer contribution		
May count compensation from Date of Participation	Yes		
Use in other tests?	Yes - ACP Test if plan includes After-Tax Contributions		Yes - profit sharing allocation if new comparability
Top Heavy Satisfied?	Yes - as long as no other discretionary contributions, forfeitures or After-Tax		Yes - as long as no other discretionary contributions or forfeitures allocated
Notice Required	Yes - Can combine with QDIA Notice		No - unless additional discretionary match included
May exclude LTPT?	Yes - Long-Term Part-Time (LTPT) employees may be excluded from ALL employer contributions (LTPT are employees with at least 500 hours in each of the last three plan years who must be allowed to make deferrals beginning with the 2023 Plan Years)		

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Safe Harbor 401(k) Plans (without auto enrollment)

Provisions	Basic Match	Enhanced Match	Non-Elective
Required Employer Contribution	Match of 100% on the first 3% deferred plus 50% on the next 2% deferred	Match of 100% of the first 4% of compensation deferred	Employer contribution of 3% of plan compensation
Participants eligible	All participants who make salary deferral contributions during the plan year		All participants eligible in a plan year regardless of deferrals
ADP Test Required	No		
May exclude HCEs?	Yes		
May exclude OEX?	Yes - "Otherwise Excludable" Employees (OEX) are those under age 21 and have less than a Year of Service and may be excluded from required employer contribution		
May count compensation from Date of Participation	Yes		
Vesting	100% immediate vesting required		
Use in other tests?	Yes - ACP Test if plan includes After-Tax Contributions		Yes - profit sharing allocation if new comparability used*
Top Heavy Satisfied?	Yes - as long as no other discretionary contributions, forfeitures or After-Tax		Yes - as long as no other discretionary contributions or forfeitures allocated
Notice Required	Yes		No - unless additional discretionary match included
May exclude LTPT?	Yes - Long-Term Part-Time (LTPT) employees may be excluded from ALL employer contributions (LTPT are employees with at least 500 hours in each of the last three plan years who must be allowed to make deferrals beginning with the 2023 Plan Years)		