

## 401(k) Profit Sharing Plan Highlights

### ELIGIBILITY

An employee who is over age 21, has completed 1 year of service, and has worked 1,000 hours in a plan (calendar) year, is eligible to participate in the plan. When you become eligible, you will be given a full description of the plan and asked to complete an enrollment form. You may enter the plan on January 1 or July 1, whichever next follows your completion of the eligibility requirements.

### CONTRIBUTION

You may contribute up to 20% of your income (through payroll deductions) up to maximum set by the federal government. You may change the amount you save on January 1 or July 1. You can stop contributing at anytime, however you cannot re-enter until the following January 1 or July 1. Claim Net will make a weekly matching contribution of 25% each year up to \$100.00. In addition, Claim Net **may make** an additional profit sharing contribution. This additional contribution is allocated to each participant in the proportion their compensation is to the total compensation of all participants.

### BENEFITS

The 401(k) Savings Plan allows you to reduce your current tax liability by contributing a percentage of your wages. See the following example of savings.

	<u>In Plan</u>	<u>Not In Plan</u>
Wages (1 wk @ \$25 hr)	\$1,000	\$1,000
401(k) deduction	<u>100</u>	<u>0</u>
Net Check	\$ 900	\$1,000
Taxes Paid (28%)	<u>-252</u>	<u>-280</u>
Net Take Home Pay	\$ 648	\$ 720

Actual Cost to you is **\$72 to deduct \$100** every week!!

If you put in 20% of your salary in the above example the actual cost would only be \$144 to save \$200!!

You are always eligible to receive 100% of your vested amount should you resign from Claim Net, or you may leave it invested with Claim Net until your retirement.