401(k) safe harbor at a glance

An employer contribution that lets owners and highly compensated employees defer the maximum without testing refunds.

- Skips the annual ADP nondiscrimination test, so owners can contribute the maximum without refunds
- Covers non-highly compensated employees age 21 with one year of service
- Requires an annual notice and generally a full 12-month plan year
- Mid-year removal only in limited cases, with 30 days' notice

DESIGN	FORMULA	VESTING
Nonelective	3% of pay to all eligible	**Immediate**
Basic match	100% of 3%, plus 50% of next 2%	**Immediate**
Auto-enrollment match	100% of 1%, plus 50% of next 5%	**Up to 2 years**

QUESTIONS ABOUT A PLAN? CONTACT US.

primepensionsinc.com/contact

Prime Pensions, Inc. · 25B Vreeland Road, Suite 209, Florham Park, NJ 07932

For general information only, based on 2026 IRS limits and rules. Not tax or legal advice. Prime Pensions is not affiliated with any investment product provider and does not offer investment advice.