ARIZONA FASTENERS

401 (K) and Profit-Sharing Plan Highlights 2022

**ELIGIBILITY:** Any full-time employee who has completed 90 days of service and is at least 18 years of age is eligible to participate. Under this plan, you will be automatically enrolled in the company sponsored 401K plan if you meet eligibility requirements. However, you may opt out at any time by completing your account prior to or after eligibility. You may roll over a 401K plan balance from a previous employer into your new account once you reach eligibility.

**INVESTING:** You may invest any dollar amount or percentage of your compensation up to the limits permitted by the law and regulations governing 401K plans. The maximum dollar amount that you can contribute to the plan each year is $20,500 (for 2022). You may change the amount you are deferring into the plan – or stop making deferrals altogether.

**MATCH:** Arizona Fasteners will “match” your contributions .25 cents on the dollar, up to the first 6% of your payroll deferral. You may contribute more than 6% of your earnings into your account, but Arizona Fasteners will only match based on the first 6%.

**AUTO ENROLL:** Eligible employees will be automatically enrolled into the 401K plan with a deferral of 3%

**OPT OUT:** Eligible employees may opt out of the auto enrollment at any time, either before or after eligibility. In order to do so, you must create an account, log in and then set your deferral percentage to 0%. ForUsAll will be sending email communications to each new employee after onboarding with information about the plan, education materials, and instructions on how to set up your Vanguard Retirement Account

**VESTING:** Any money you contribute to your 401K plan including earnings on that money is always 100% vested in your name. The money your employer contributes in the form of matching contributions or discretionary profit-sharing contributions is subject to the plan vesting schedule. This means that you become entitled to the employer contributions gradually over time.

**Vesting Schedule for Matching Contributions**

|  |  |
| --- | --- |
| **YEARS OF SERVICE (PERIODS OF SERVICE, IF APPLICABLE)** | **VESTED PERCENTAGE** |
| Less than 1 Year of Service | 0% |
| 1 Year of Service | 0% |
| 2 Years of Service | 20% |
| 3 Years of Service | 40% |
| 4 Years of Service | 60% |
| 5 Years of Service | 80% |
| 6 Years of Service | 100% |

**LOANS:** Yes. Although the Plan is designed primarily to help you save for retirement, you may take a loan from the Plan for any purpose. You will be permitted to have only 2 loan(s) outstanding at any time. The maximum loan amount available to you will be

• $50,000 or one-half of your vested balance in the Plan, whichever is less.

No loans will be issued for less than $1,000.00. A portion of your Plan balance will be pledged as security for your loan.

**COSTS:** Enroll and participation is FREE! There is miscellaneous cost that you may incur as a plan participant as described on pg. 16 of the Participant Notice Packet.