



QUICK GUIDE TO: SAFE HARBOR 401(K)S

CONTRIBUTIONS & MATCHING

- Contributions up to **\$19,500** for both 2020 and 2021
- Catch-Up contributions up to **\$6,500** for 2020 and 2021.
- Allows employer & highly compensated to maximize their own contributions.
- Pre-approved IRS matching & vesting schedules.

TAX ADVANTAGES

- Employer contributions are deductible on the employer's federal income tax return.
- Elective contributions and investment gains might enjoy tax deferral until distribution.
- Offers both pre-tax & Roth options.

FILING & COMPLIANCE

- Requires annual 5500 filing.
- A Safe Harbor 401(k) allows the plan sponsor to automatically pass certain annual compliance testing to ensure IRS compliance.