



**401GO**

# 401(k) Proposal

ABC Company Sample

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# This retirement platform was built for you.



Every American deserves a path to achieve financial independence, and 401GO is putting American workers on that path. Our efficient, effective and supported plans are designed to meet the needs of small companies.

## Small businesses have their own needs.

There's no need for small companies to establish retirement plans that are burdensome and complicated to manage. The modern automation technology and innovative strategy developed by 401GO have resulted in a frictionless and affordable experience for small employers.

## Employees love this platform.

401GO makes saving for retirement intuitive and simple. Whether experienced or new to investing, our platform is designed to give employees exactly what they need with no hassles or complexity.

## We'll be there when you need us.

No one wants to get customer service from a robot. All our plan sponsors get a dedicated relationship manager, with support available by phone, email or chat. Our excellent support is our top-rated feature!

### G2 High Performer



**#1** IN OUR INDUSTRY  
FOR CUSTOMER  
SATISFACTION

### NAPA Top Recordkeeper



# 401(k) plans aren't expensive anymore.

## Plan Assumptions

Plan start date: July 1, 2025  
Total employees: 25  
Expected participants: 23  
Total current assets: \$1200000

# \$110

per month

# \$7

per ppt

# 0.65%

AUM fee

EMPLOYER COSTS	
Plan setup fee	\$500
401GO base fee (monthly)	\$110
Per participant fee (monthly)	\$7
Participants	23
Total participant fees (monthly)	\$161
Advisor fee (monthly)	\$0
Year 1 estimated costs	\$3752

PARTICIPANT COSTS	
401GO asset fee (annual)	0.15
Advisor asset fee (annual)	0.50%
Total AUM fees	0.65%
Total AUM fee per \$1000 (annual)	\$6.50
Total expected AUM fee (annual)	\$7800

*"A big upside to the 401GO platform is its digital nature. Being able to do everything from the data gathering, initial meetings, to general administration online is ideal in today's landscape."*



-Luke T., Financial Advisor

# Tax credits help with new plan costs.



Incentives are available for new plans for companies with 100 or fewer employees.



## Administrative credits

**100%** of administrative costs up to \$5000\* per year for 3 years  
FOR COMPANIES WITH 1-50 EMPLOYEES

**50%** of administrative costs up to \$5000 per year for 3 years  
FOR COMPANIES WITH 51-100 EMPLOYEES

\*max credit is reduced for companies with fewer than 20 employees



## Contribution credits

**100%** of contributions made to employees  
up to \$1000 per employee on a  
sliding scale for 5 years

**Year 1:** 100%

**Year 2:** 100%

**Year 3:** 75%

**Year 4:** 50%

**Year 5:** 25%



## Auto-enroll credits

**\$500** per year for 3 years

## CLAIM YOUR CREDITS!

When you start a new plan with 401GO, we will help ensure your credits get claimed by filling out the required tax form for you and sending it to you.

Form

**8881**

Department of the Treasury  
Internal Revenue Service

*This page shows only a rough estimation of potential tax savings and should not be considered tax or legal advice. Every business has unique tax considerations, please consult with a tax professional for assistance with your specific situation.*

# Switching 401(k) providers is easy.



Transferring your 401(k) from a previous retirement provider is simple. We use a seamless cash transfer process, which allows participants to continue contributing to their new account while waiting for the funds to be transferred from the old one.

## FIRST, TRANSFER THE PLAN.

- 01 Submit adoption agreement.**  
You'll need to provide an adoption agreement from the prior plan. The agreement and new plan design will enter a review stage. If any changes need to be made, they'll be done here.
- 02 Wait for a plan review.**  
The plan document will be reviewed within 48 hours. If no problems or issues are found, proceed to the final step.
- 03 Sign plan documents.**  
Once the plan document is signed, the plan is established.

## THEN, TRANSFER THE ASSETS.

- 04 Initialize the asset transfer.**  
Contact your current provider and inform them of your intent to transfer the plan. They will provide a transfer timeline.
- 05 Inform employees.**  
Employees will be notified of the plan and given instructions to set up their new account. They'll also be notified of the blackout period.
- 06 Enter blackout period.**  
During this period of up to 30-days, employees will begin to contribute to their new accounts, but will lose access to their old one for a short time. Once the funds are fully transferred, they will be credited to participant accounts, and the transfer process will be complete.

### Assisted Takeovers

We will help you with your plan transfer!

Include **[conversions@401go.com](mailto:conversions@401go.com)** on your email communications with your current provider.

# Make your team happy with matching contributions.



Providing matching contributions is an effective way to encourage participation in your 401(k) plan. Employees will consider it to be extra compensation. Before deciding whether to include them in your plan, it helps to have good information. Here's how to calculate the cost of these contributions.

## Make a list of all employees.

Use a spreadsheet to create a list of all employees that will be eligible to participate.

**Remember that not all employees will participate. The average participation rate is 60%.**



In column 2, list their total gross wages.



In column 3, multiply by the amount you expect to contribute. (4% is average) This will give you the annual cost.



In column 4, divide by the number of payrolls per year to determine the cost per pay period.

EMPLOYEES	SALARY	x 4%	PER PAY PERIOD
Aaron Adams	\$55,000	\$2,200	\$91.66
Bonita Brown	\$60,000	\$2,400	\$100
Chris Colter	\$90,000	\$3,600	\$150
Debbie Diaz	\$110,000	\$4,400	\$183.33
Eric Edwards	\$140,000	\$5,600	\$233.33
<b>Total</b>	<b>\$455,000</b>	<b>\$18,200</b>	<b>\$758.32</b>

While this won't be an exact calculation of your costs, it should give you an estimate that will help you make an informed decision.

annual cost = **\$18,200**



# A bundled solution gives you everything you need.



As a fully-bundled provider, 401GO simplifies all aspects of 401(k) plan management, including administration, recordkeeping and asset custody. Our proven automation technology is paired with industry-leading live customer support for the ultimate tech + touch solution.

## Plan Design & Setup

- Same-day setup
- Safe Harbor plans
- Auto-enrollment
- Roth + traditional
- Multiple eligibility options

## Administration

- Payroll integration
- Recordkeeping & reporting
- Eligibility tracking & notifications
- 3(16) administration
- Easy employee onboarding

## Investments

- 3(38) services available
- Broad selection of funds
- Dynamic rebalancing
- No 12b-1 fees or commissions
- Guided portfolio builder

## Compliance

- Automated testing
- Fidelity bond included
- Forms 5500, 1099-R, 8955-SA
- IRS and DOL filings
- Summary annual report

## Premium Support

- Dedicated relationship manager
- Live support for employees
- Payroll setup assistance
- Financial wellness tools
- Chat, email or phone support options



# Reduce hours and errors with payroll integration.



Integrating your 401(k) plan with your payroll, HRMS or HCM system gives you a frictionless experience with reduced errors and almost no ongoing input after setup. 401GO offers two integration types.

## For those using a big payroll provider:

We offer several API integrations, which are tech-based connections between your payroll provider and 401GO.

## For everyone else:

Our True360™ service provides a manual integration, giving you the same experience as a full tech integration.

- ✓ Save hours every pay period
- ✓ Reduce errors
- ✓ Improve security of sensitive data

## Payroll integration takes over these tasks.

- ✓ Sending employee info, payroll data and contribution data to the 401(k) provider
- ✓ Collecting census data each pay period to monitor employee eligibility
- ✓ Collecting 401(k) data each pay period to monitor for changes
- ✓ Sending 401(k) account funds from payroll to the 401(k) custodian



# Employees have it easy.



## Mobile-Friendly

Onboarding, management, loan requests, investment changes are all done within our platform from a computer, tablet or smartphone.

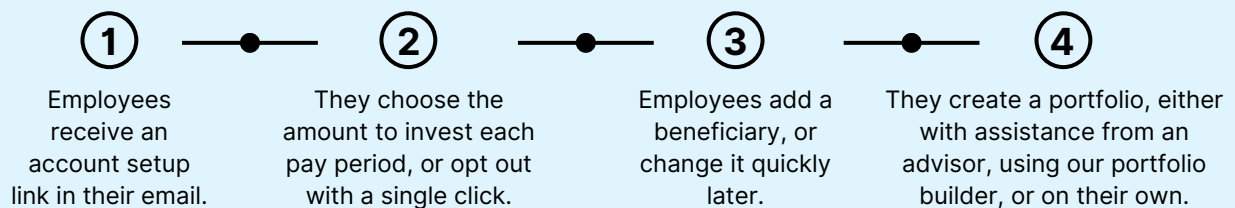
## Easy Management

Onboarding takes 5 minutes or less, opt-out is done with one click, and account balances and changes are easily viewed within participant dashboards.

## Premium Support

Live, human support is available to all participants and employees, with a dedicated relationship manager for employers and their admins.

## Employee onboarding is quick.



## We don't charge transaction fees to participants.

Loan origination	\$0
Distribution	\$0
Additional distributions	\$0

Stop payment (re-issue)	\$0
QDRO distribution	\$0
Wire fee	\$0

# Intelligent investing, right out of the box.



Every 401GO plan includes our guided portfolio design feature. Rather than force participants into predetermined boxes, we suggest a customized portfolio based on individual needs and investing goals.

We use factors such as time until retirement and risk tolerance to suggest a truly personalized selection.

## Time Horizon

When investing, it is useful to look at the correlation between time to retirement and risk capacity.

A participant with a long time horizon has more time to recover from short-term market declines, whereas a participant who is closer to retirement should focus on protecting their funds from loss. A big loss close to retirement can be painful.

Risk capacity decreases as the time horizon shortens.



## Risk Tolerance

While risk capacity looks at how much loss one can afford financially, risk tolerance looks at how much loss one can endure emotionally.

Our platform establishes risk tolerance, then recommends a personalized selection which the user can then accept or reject. We aim to help participants have a good experience investing within their 401(k), and this guided design helps them do what's best for both their wallets and their personalities.

# Understand your fiduciary responsibilities.



A fiduciary is anyone who exercises authority or control over the management of a retirement plan or its assets. This can include the plan sponsor (employer) and their admins, a financial advisor, the third-party administrator (TPA), recordkeeper and custodian.

While most of these duties can be outsourced to 401GO, employers must still ensure that responsibilities are met.



## Fees

Plan assets must be protected from exorbitant fees, as these can have a significant impact on participants' accounts.

## Deposits

Employee contributions must be deposited in a timely manner, as well as any employer contributions.

## Investments

A prudent selection of funds must be available, so participants have access to financial markets at appropriate costs.

## ERISA bond

An ERISA fidelity bond protects plans against fraud or dishonesty. These are required for any plan with over \$100,000 in assets.

## Administration

The requirements in the plan document must be followed, including enrolling employees, depositing funds and keeping records.

## Choosing a provider

We recommend never using a provider whose fees and services you don't fully understand.

# Your funds are secure with Matrix Trust.



401GO is fully integrated with Matrix Trust Company, part of the Broadridge family of services, a leading independent provider of custodial services. Matrix Trust has been respected in the financial industry for many decades, making them an excellent partner.

## Security at 401GO

401GO maintains SOC II compliance, the highest standards of security and data protection. Our policies were developed to ensure your funds can grow safely.

- Bank-level encryption for data both in transit and at rest
- Data is stored only in secure and inaccessible data centers
- Weekly cybersecurity, vulnerability and penetration tests are performed by third parties
- Regular security risk assessments and mitigation planning
- Secure password enforcement and 2-factor authentication
- Annual independent audit of all security procedures and policies
- Extensive background checks of all employees

## Security at Matrix Trust

Matrix uses a comprehensive security program combined with advanced technology, managed by a team of trained information security professionals, to keep your information safe.

Matrix adheres to multiple industry standards and frameworks to ensure the safety of funds.

- ISO 27001:2013
- NIST cybersecurity framework
- CSA CCM: Cloud Security Alliance
- PCI - Data Security Standard: Payment Card Industry
- HIPAA: The Health Insurance Portability and Accountability Act of 1996
- HITRUST CSF: Common Security Framework
- FISMA: Federal Information Security Modernization Act of 2002

# We help you avoid compliance problems.



To ensure 401(k) plans are administered fairly, the IRS requires them to undergo annual nondiscrimination testing. These tests are designed to look for ways owners, key employees or highly-compensated employees (HCE) might be given favorable treatment. While several types of tests are performed, those listed below are most important.

## ADP / ACP Tests

These tests look for whether the deferrals for HCEs are proportional to non-HCEs. HCEs and non-HCEs are grouped, and their actual deferral percentages (ADP) are compared.

If the ADP for HCEs exceeds that of the non-HCEs by a certain percentage, the plan will fail. The ACP works the same way, but looks at employer's matching contributions.

## Compensation Test

This test looks at how much actual compensation is allowed to be contributed to the retirement plan. Since many compensation plans include commissions, bonuses, tips and so forth, the rules within the plan about allowing contributions based on these types of pay need to be fair.

## Top Heavy Test

If account balances for key employees exceed 60% of total plan assets, a plan is considered top heavy.

## Coverage Test

This plan looks at employees who are excluded from participation in the plan. For example, interns or temporary workers are often excluded. To pass this test, at least 70% of eligible employees must be participating.

Small businesses often run into problems with these tests.  
But we offer two possible solutions.



### Automated Testing

Rather than hiring a TPA to perform test annually, the 401GO tests are performed by technology and run continuously. This allows problems to be found and corrected early.



### Safe Harbor Plan Design

We often recommend Safe Harbor plans for small companies, because it exempts them from much of the required noncompliance testing, saving time, money and hassles.

# Many small businesses choose a Safe Harbor plan.



Safe Harbor plans were created as a way for employers to offer a plan that meets certain IRS requirements by exempting them from most annual compliance tests. This is extremely important for smaller businesses where owners or highly compensated employees using the plan would likely cause it to fail the required tests.

## Safe Harbor Plans

- ✓ Ideal for smaller companies where owners or HCEs want to participate in the 401(k)
- ✓ Employees get some form of contribution from the employer

## Non- Safe Harbor Plans

- ✓ More flexibility in how they are set up and administered
- ✓ Employer is not required to provide contribution to employees

## Safe Harbor Plan Types

### QACA

Match 100% of the first 1%  
50% of the next 5%

### ENHANCED

Match 100% of either the first  
4%, 5% or 6%

### BASIC

Match 100% of the first 3%  
50% of the next 2%

### GUARANTEED CONTRIBUTION

Annual contribution of 3%, regardless of  
whether the employee is contributing

# New legislation favors small business needs.



Passed at the tail end of 2022, the SECURE Act 2.0 expanded the retirement options, with special emphasis on helping small businesses and their employees. Here are a few important provisions.

## ✓ Roth Employer Matching

Employers will be able to offer vested matching contributions to Roth accounts. Many employees will appreciate the additional tax-free growth.

## ✓ Automatic Enrollment

Most companies will be required to automatically enroll employees in their retirement plans. This encourages participation and improves plan health.

## ✓ Emergency Savings (ESA)

The addition of an ESA to a plan will allow the first \$2500 of employee contributions to go into a savings account that is easy to access and offers 4x/yr penalty-free withdrawals.

## ✓ Eligibility for LT-PT

Long-term part-time employees will now become eligible to participate in their retirement plan sooner, from a three year wait down to two.

## ✓ Student Loan Matching

Employers will be able to match student loan payments with matching payments into a retirement account. This gives workers a way to pay off loans without missing out on retirement benefits.

## ✓ Tax Credits

Small businesses that start new retirement plans are eligible to receive substantial tax credits to help offset the costs of setup and management.

## ✓ Later RMDs

The age for Required Minimum Distributions (RMD) is getting pushed back from 72 to 73, 74, even 75. This can be favorable for multi-generational companies.

## ✓ Larger Catch-Ups

Allowable catch-up contribution limits increased, providing needed flexibility for older workers who are underprepared for retirement.



# Let's answer your 401(k) questions.



## What is a 401(k) plan?

A 401(k) plan is a way to help you prepare for retirement. These plans are offered only through an employer, and they allow you to contribute money directly from your paycheck into your retirement account.

## Is a 401(k) like a savings account?

401(k) accounts come with substantial benefits over a savings account.

- ✓ **It's an investment account.**  
The money you save is invested in the market giving it the potential to grow.
- ✓ **It happens automatically.**  
Contributions are withdrawn from your paycheck and deposited in your account with no work from you.
- ✓ **Your employer contributes, too.**  
Many employers choose to match a certain amount of your contributions, giving you extra compensation that can grow over time.

## Can I make Roth contributions?

Yes, of course! 401GO plans offer both pre-tax and Roth (after-tax) options. Pre-tax contributions reduce your taxes now, while Roth contributions allow tax-free withdrawals upon retirement.

## Can I roll my IRA funds into my 401(k)?

A traditional IRA can easily rollover into your company's 401(k), and the 401GO process is streamlined and easy. Roth IRAs, unfortunately, are not available for rollovers.

## What will I invest in?

For many workers, a 401(k) is their first investment experience. If you are worried about choosing your investments, help is available.

- ✓ **Use the portfolio builder.**  
401GO offers a custom portfolio builder that asks you a few questions and then offers a suggested selection of investments.
- ✓ **Use a financial advisor.**  
Your employer may use a financial advisor to help manage the plan, and they can be a great resource to help create your portfolio.

## What happens if I no longer work here?

You have a few options for how to handle your 401(k) account after your employment ends. Ask your employer for a vesting schedule so that you know which funds are yours when you leave.

- ✓ **Rollover into a new 401(k).**  
If you move to a new job that also offers a 401(k), your funds can be transferred there.
- ✓ **Rollover into an IRA.**  
You can move your funds into an Individual Retirement Account (IRA) and manage them yourself. 401GO also offers IRAs.
- ✓ **Leave it where it is.**  
You can keep your 401(k) account after you leave, and you'll be charged a small monthly fee for management.

# Take care of your future self with a 401(k).



## HERE ARE 8 GREAT REASONS EMPLOYEES LOVE 401(K) PLANS.

### 01 Tax benefits

You can choose to save with pre-tax dollars, reducing tax burdens today, or with after-tax dollars (Roth) for tax-free withdrawals later.

### 05 Payroll deductions

Your contributions are made automatically out of your paycheck, reducing your temptation to spend the money elsewhere.

### 02 Employer match

Many employers will match your 401(k) contributions up to a certain amount, which essentially increases your compensation.

### 06 Fiduciary oversight

Plan assets are being managed by fiduciaries with your best interest in mind. Fund performance and fees are monitored.

### 03 Compound interest

The earlier you begin investing in your 401(k), the more time your money has to grow.

### 07 Emergency access

With loans and hardship withdrawals available, you can access funds for serious needs, but not for frivolous ones.

### 04 Rollovers

If you change jobs, you can take your 401(k) with you. Either roll it into a new plan, or leave it alone and continue to let it grow.

### 08 Shelter from creditors

Retirement funds are often sheltered from creditors, giving you some safety even in financial distress.



**Get started today!**

Go to [app.401go.com](https://app.401go.com) and select "employee" to start your account setup.

**Thank you**  
FOR YOUR CONSIDERATION

Chad Rixse  
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★★★★★  
4.8 STAR RATING

#1

IN OUR INDUSTRY  
FOR CUSTOMER  
SATISFACTION

