

# 401(k) Plan Setup

## Common Questions Answered

Are you thinking about setting up a 401(k) plan for your company? Offering a retirement savings plan to your employees has [many advantages](#). Below are some of the most common questions we receive from new and prospective clients.

### Q. How do I get started?

A Slavic401k plan representative will walk you through the plan options available for your business (for example, matching contributions, profit sharing, vesting, and eligibility) and explain the fees associated with setting up and maintaining the plan.

### Q. What documents do I need to set up my 401(k) plan?

Some of the necessary documents include the plan evaluation survey, adoption agreement, safe harbor addendum, board resolution and employee census information. Full details of the required documents can be found on our [FAQ page](#).

### Q. How do I send employee contributions?

Contribution files are uploaded on a regularly scheduled basis. The contribution file contains: wages/salary for each active employee for each pay period as well as the deferral amounts for each pay period. It also includes employee information such as date of birth, date of hire, home address, email address and social security number.

Watch this [video](#) for step-by-step instructions on how to upload a contribution file for your 401(k) plan.

### Q. What is a Safe Harbor plan?

Employers can avoid non-discrimination testing (ADP, ACP and Top Heavy) by adopting a safe harbor 401(k) plan. Adopting a safe harbor plan allows highly compensated employees (HCEs) and key employees of the company to contribute the maximum amount allowed by law.

Read more on the [basics of a safe harbor plan](#) and the [four reasons to choose a safe harbor plan](#) in our blog or visit our [FAQ page](#).

## Q. What is automatic enrollment and what are the advantages?

Automatic enrollment is intended to encourage employee savings through 401(k) plans by automatically setting up a participant for a specific contribution rate. These automatic pre-tax elective contributions begin when the employee has satisfied the plan's eligibility and entry date. There is no need for an employee to manually enroll in the plan.

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A recent study by Vanguard showed that plans with automatic enrollment had a 92% participation rate, compared with a participation rate of 62% for plans with voluntary enrollment.\*

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## Q. What investment choices are offered to my employees?

Slavic401k's investment platform offers approximately 30 mutual funds from reputable financial companies such as American Funds, Vanguard and Fidelity. Fund expenses from certain index mutual funds can have expense ratios as low as 0.015%.

Your employees can invest in as many or as few of the funds offered. They can also change funds or allocations at any time. In addition, your plan may include risk managed portfolio services or target date asset allocation funds to make investing easier.

Our digital advisor platform, [Bespoke](#), is managed entirely online based on an investment risk assessment completed by the employees.

## Q. What if I already have a plan?

Merging your old 401(k) plan into your new one typically takes 90 days to complete after the new plan has been established. During this time, employees can still enroll and participate in the new plan. More on plan transfers can be found in our [support center](#).

## Q. Is there a deadline to set up my plan?

Most plans can be set up any time before the end of the year. Be sure to allow enough time to make employee contributions before the year ends. New plans take a minimum of 15 business days to implement.

Safe harbor 401(k) plans have an employee-notification deadline, and plans must be established before that date. For new safe harbor plans with an effective date in the current year, the deadline is October 1. For existing plans converting to a safe harbor plan for the following year, the deadline is December 1.

\* [How America Saves 2021](#) – Vanguard