

| Feature                                | 403(k)  | 401(k)   |
|--|---|--|
| <b>Eligible Employer</b>               | Educational organizations and nonprofit organizations under 501(c)(3) of the IRC  | Any employer   |
| <b>Eligible Employees</b>              | <p>All employees but may exclude:</p> <ul style="list-style-type: none"> <li>• Employees who work less than 20 hours per week</li> <li>• Professors on sabbaticals</li> <li>• Certain students</li> <li>• Union employees covered under collective bargaining agreements</li> <li>• Non-resident aliens with no U.S. income</li> </ul>        | <p>May be less restrictive, but cannot exclude those who exceed:</p> <ul style="list-style-type: none"> <li>• Age 21</li> <li>• One year of service</li> <li>• 1000 hours of service per year</li> </ul> <p>May exclude:</p> <ul style="list-style-type: none"> <li>• Union employees covered under collective bargaining agreements</li> <li>• Non-resident aliens with no U.S. income</li> </ul> |
| <b>Contribution Limits (Employer)</b>  | Employer's discretion up to 25% of eligible payroll. Can be made as a matching or an employer discretionary contribution.   | Employer's discretion up to 25% of eligible payroll. Can be made as a matching or a profit sharing contribution.   |
| <b>Contributions Limits (employee)</b> | Employees can defer up to \$19,500 per year, 2021 limit. Employee and employer contributions per employee cannot exceed \$58,000 unless employee is age 50 or older, then they may defer up to an additional \$6,500. An employee of a "qualified organization" with 15 years of service may be eligible to contribute an additional \$3,000. | Employees can defer up to \$19,500 per year, 2021 limit. Employee and employer contributions per employee cannot exceed \$58,000 unless employee is age 50 or older, then they may defer up to an additional \$6,500.  |
| <b>Deductions and Deferrals</b>        | Employer contributions are tax deferred for employee. Employee contributions are pre-tax and tax deferred.  | Employer contributions deductible to employer and tax deferred for employee. Employee contributions are pre-tax and tax deferred.  |
| <b>Investment Options</b>              | Mutual funds and annuities only   | Any acceptable investment under the plan   |

\* This general information piece is distributed with the understanding that EGPS is not rendering any legal advice.

\*\* Plan Sponsors should consult with their legal representatives about the application of any law pertaining to retirement plans.