**401(k) Plan Policy: Eligibility and Contributions**

 **Purpose**

[Company Name] provides a 401(k) Retirement Savings Plan (the Plan) to help employees accumulate financial resources for retirement.

**Eligibility**

To be eligible to join the 401(k) Plan, an employee must complete 12 months of service and be 21 years of age or older. The employee may join the Plan on the first day of the calendar year quarter following completion of the first year of service—January 1, April 1, July 1 or October 1. Prior to eligibility, the employee will be given the Plan’s summary plan description for review and all necessary forms to complete to participate in the Plan.

Credited company service will be given for the entire period of any of the following leaves of absence:

* A personal leave of absence without pay that does not exceed 90 calendar days.
* Leave of absence for military service.
* Leave of absence covered by the Family and Medical Leave Act.

Employees who terminate employment and are not rehired within 30 days will lose their credited service, except as relates to qualified benefits plans in which the employee was vested. Employees will also lose their credited service if they fail to be reinstated from a leave of absence in accordance with the provisions of the applicable leave of absence law(s) and policies.

**Contributions**

Subject to statutory limits on tax deductibility, the Plan allows employees to elect how much of their salary they want to contribute to the Plan and to direct the investment of their funds into professionally managed investment funds. An employee is fully vested in his or her own contributions and entitled to those contributions upon termination of employment regardless of the length of employment. The company may, but is not required under the Plan, to make a matching contribution to employees’ contributions at plan year-end. At the end of five years of employment, an employee is fully vested in the company’s matching contributions.

**Plan Termination**

The company reserves the right to terminate the Plan at any time.