

## **Chapel Hill Academy 401(k) Profit Sharing Plan for Honor Ridge Academy**

All full time employees are eligible to participate in the Plan, once they meet the Eligibility and Participation requirements, except One-to-One Aides.

In order to be eligible for Employer Contributions and Matching Contributions, you must have completed 1 year(s) of service. One Year of Service is completed on the last day of the Eligibility Computation Period in which you are credited with 1000 Hours of Service. For the purpose of Employer Contributions, your first Entry Date will be the earlier of January 1st or July 1 after satisfaction of the eligibility requirements.

Once you meet the Plan's eligibility requirements to make salary reduction contributions (Salary Deferrals), you may make an election, or change an election the first day of the plan quarter. Once you have given the Employer your election, deferrals or changes will be implemented on the next change date. You may stop your contributions at any time.

You may defer up to \$18,000 as a salary reduction contribution to the plan. If you are over 50 years of age you can defer an additional \$6,000 as a catch up provision.

Your employer may make Matching Contributions, if any, only on the first 3% of compensation as elective contributions. Amounts deferred over 3% are not matched.

In addition to matching contributions Honor Ridge Academy can make additional discretionary contributions. Last year the discretionary contribution was 7% of compensation. You do not have to make 401(k) contributions in order to receive a discretionary contribution.

The amount of the discretionary contribution is set by the Employer each year.  
Vesting schedule for Matching and discretionary Employer Accounts:

Years of vesting service	Percent vested
Less than 1	0%
1 but less than 2	0%
2 but less than 3	20%
3 but less than 4	40%
4 but less than 5	60%
5 but less than 6	80%
6 or more	100%

This plan does have a loan provision.

Any questions regarding this information or any other pension questions should be directed to the Business Office.