

Profit Sharing Plan (401K)

Each employee should understand the merit of saving regularly. Participation in the Builders, Inc. 401K Plan is an excellent way to give your savings extra earning power. Besides the opportunity for investment gains, Plan membership automatically qualifies you to receive a share of the company profits. This can provide a substantial nest egg over the years for a “happy” retirement. This will also provide additional security for your dependents in the event of your death or permanent disability.

You are able to join the Profit Sharing Plan on the first day of the month following six months of continuous employment, consisting of at least 500 hours. The Profit Sharing booklet, describing the Plan in detail, will be made available to you prior to your eligibility date.

Briefly stated, you can contribute a selected percentage of your salary into the Plan (currently 1% through 60%), and the company makes a matching contribution, up to a maximum of 6%, in accordance with plan provisions, and up to the limit of profits. Your ownership of the Company’s contributions, which are made on January 1 of each year, vest immediately. You must be employed by the company on the last day of the Plan year and contribute to the Plan to receive the Company’s matching contribution.

Participation in the Plan is voluntary, but highly recommended! Any contribution to the Plan is not counted as earnings for federal and state income tax purposes. In other words, the amount you contribute to the Plan will go into the Plan first, then you pay tax on the balance of your earnings. Your elective contributions, company contribution and any investment earnings are not taxed to you while they are in your Plan account.

A loan against your account is permissible with limits according to IRS regulations. The minimum loan is \$1000, and is limited to one at a time. Loans require repayment through payroll deduction each pay period over a term not to exceed five (5) years. Additional time limits apply towards the purchase of a home. The necessary Loan Application are only available on line through the Fidelity web site. You must give Payroll copies of your loan agreement immediately in order to avoid paying large “catch up” deductions.