

The True Value of Our 401(k) Plan

One critical component to any benefit offering is the retirement plan. At Inersso Corporation, we are proud of our 401(k) Retirement Plan that provides benefits above and beyond industry standards. Our plan includes:

- 1. Safe Harbor Match of 4%:** Once you are eligible to participate in the plan*, Inersso provides a dollar-for-dollar Safe Harbor Match up to 4% of your compensation, and is calculated each pay period. This means an employee must contribute within a respective pay period to receive a matching contribution.
- 2. Immediate Vesting:** Every dollar that Inersso contributes to the plan on your behalf belongs to you. Whether you work for Inersso for a year, three years, ten years or longer, that money will always be yours to keep.
- 3. Automatic Enrollment at 4% and Annual Automatic Increase:** You do not need to take any action in order to be enrolled into our 401(k) plan - we will do it for you. Of course, should you prefer, you are able to save more or less than our automatic contribution rate depending on your needs. However, by providing an automatic enrollment benefit, we can help ensure that you are taking full advantage of our Safe Harbor Match and healthy steps towards saving for your future. Then, each year your contribution increases by **1%** (up to a maximum of 12%), making it easier for you to save more for your retirement.
- 4. Flexible Saving Options:** Should you decide to manually elect your savings rate, you have the ability to direct your savings as either a flat dollar amount per paycheck or a consistent percentage rate. Additionally, you have the option to designate your savings as either the traditional pre-tax method or Roth, which can help you leverage key tax efficient strategies.
- 5. Access to an Independent Financial Advisor:** We have engaged an independent financial advisory firm, AFS 401(k) Retirement Services (AFS), to provide on-going fiduciary guidance and support to our employees. This additional benefit is available to employees at no cost. AFS holds group workshops throughout the year on a variety of financial topics, and they are also available to meet with you one-on-one to provide financial coaching and advice. They also have an online educational portal where you can learn about all things finance and find answers to common money-related questions.

How Do We Compare to Our Peers?

Based on the results from the Plan Sponsor Council of America's annual survey, our plan provides benefits that exceed national averages. According to their 2021 report:

- Only **20.8%** of our peers provide a 100% match up to 4% of an employee's deferral
- **36.0%** of our peers follow the most common matching formula of 50% up to 6% (for a total of 3%)
- Only **30.8%** of our peers provide immediate vesting on their contributions, and **22.0%** require their employees to have worked for them for at least 5 years before they become fully vested

For example, here is how Inersso's plan match and vesting schedule compares to other types of plans for a new employee earning \$50,000 per year**. This example assumes that the new employee enrolls in their plan on January 1 after meeting the eligibility requirements and contributes enough to get the full employer match:

| Plan | Employer Matching Formula | Vesting Schedule | Annual Employer Contribution | Vested Employer Contribution | | | | | |
|---------------------|---------------------------|------------------|------------------------------|------------------------------|---------|---------|---------|----------|----------|
| | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
| Inersso Corporation | 100% up to 4% | Immediate* | \$2,000 | 100% | 100% | 100% | 100% | 100% | 100% |
| | | | | \$2,000 | \$4,000 | \$6,000 | \$8,000 | \$10,000 | \$12,000 |

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|-----------|---------------------------|------------------|------------------------------|------------------------------|---------|---------|---------|----------|----------|
| | | | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
| Company A | 50% up to 4% | 6-Year Graded | \$1,000 | 0% | 20% | 40% | 60% | 80% | 100% |
| Company B | 50% up to 6% | 6-Year Graded | \$1,500 | \$0 | \$600 | \$1,800 | \$3,600 | \$6,000 | \$9,000 |
| Company C | 100% up to 4% | 6-Year Graded | \$2,000 | \$0 | \$800 | \$2,400 | \$4,800 | \$8,000 | \$12,000 |
| Company D | 100% up to 6% | 6-Year Graded | \$3,000 | \$0 | \$1,200 | \$3,600 | \$7,200 | \$12,000 | \$18,000 |

As you can see, the new employee at Companies A, B, C, and D would have to work for their respective companies for at least 6 years before they gain full ownership of the money contributed on their behalf by their employers.

*Contingent upon eligibility. To enroll in the plan, an employee must meet the following criteria: Age 21 or older; complete six (6) months of service. Plan entry is the first day of the month next following the date eligibility is met.

**Assumes no annual cost of living adjustment.

The material provided is for general information purposes only and does not constitute either tax or legal advice. The 401(k) plan is governed by the Plan Document which supersedes any and all information provided in the material above. Please refer to the Summary Plan Description for additional retirement plan information and policies.