

Chapter:	Human Resource Management		
Title:	Employee Retirement Plan		
Policy: <input checked="" type="checkbox"/> Procedure: <input type="checkbox"/>	Review Cycle: Triennial Author: HR Spec.	Adopted Date: 08.2020 Review Date: 06.2024	Related Policies: Employee Benefits

Purpose:

Hopeful Horizons (HH) has adopted this policy to describe the provision for and the mechanism by which employees may save for retirement.

Scope:

This policy applies to:

- All HH Staff Selected HH Staff, as specified:
 HH Board Members HH Volunteers
 Other:

Policy:

HH offers eligible employees the opportunity to invest in a 401(k) retirement plan. Eligible employees may contribute up to the “maximum allowable contribution” as defined by the Internal Revenue Service (IRS) for each year in accordance with the following:

- A. **Eligibility:** This benefit is available to all full-time and part-time employees who are at least 21 years old and have worked for the organization for at least one year.
- B. **Enrollment and Contributions:** At any time, an eligible employee who wish to establish a 401(k) plan may enroll in the plan, designate a percentage of income to be deducted from each paycheck. At the time of enrollment, the employee shall choose their investments. All contributions shall be made via payroll deduction.
- C. **Matching:** HH shall match up to 3% of the employee’s salary annually.
- D. **Vesting:** After five years of participation in the 401(k) plan, the employee is considered to be 100% vested.

Communication and Training:

The Board shall receive a copy of the policy at the time of periodic review and will have an opportunity to ask clarifying questions during the approval process. Employees and volunteers shall receive notice of the Board’s policy review and approval including notice of any substantive changes. The notice will provide a link to the policy located on the HH website.

Employees are advised of the retirement plan option as part of new employee orientation.

Definitions:

- 1. **Maximum Allowable Contribution:** The IRS establishes annual limits on elective salary deferrals used for retirement investment.
- 2. **Vesting:** The process and timing requirement by which and employee gains the right to future payments from an employer sponsored pension or retirement account.

Other Related Materials:

Enrollment Retirement Plan Enrollment Forms

References/Legal Authority:

[401\(k\) Plans, Internal Revenue Services, 2024.](#)

Change Log:

Date of Change	Description of Change	Responsible Party
06.2024	This policy is updated to the new template and adds communication and training, definitions, other related material and references as applicable.	R. Lucovich, HR Spec.