

**Plan currently has a 3% Safe Harbor Non-Elective contribution:**

A 3% non-elective safe harbor contribution is a 401(k) plan feature where employers contribute at least 3% of compensation to all eligible employees, regardless of whether the employees contribute their own money. This is a percent on the total employee wages. These contributions are immediately 100% vested.

2025-Annual Cost \$8317.26 of that was Suzanne at \$2766.97.

The recommendation would be to keep Safe Harbor for 2026 and make changes in 2027. Here are some reasons to consider.

- No one qualifies that we hire this year, as they would need to be employed 1 year and with a minimum of 1000 hours to qualify.
- This would save money in 2026, keep Suzanne on the current plan and allow us to make changes for 2027.

**Options for 2027:**

-Move to a Traditional Match- where the employee must contribute and the company can match based on whatever we decide the match will be. Examples can be \$.025 per dollar match or 2% percent match etc.

-Change the 401K to require vesting, whereby we create a vesting schedule (creating loyalty for staying on the job). We can Grandfather Suzanne into the already 6-year investment timeframe (vesting threshold maximum).

-The organization has no highly compensated employees.

**Notes of interest ---When to Choose Which**

- **Choose Safe Harbor if:** You are a small business owner, have high turnover, or fear failing IRS tests because highly compensated employees contribute heavily while lower-paid employees do not.
- **Choose Traditional if:** You need flexibility in matching during low-profit years or want to incentivize long-term employees to stay through vesting schedules.

**Visalia Convention & Visitors Bureau 401(k) Plan**  
**Allocation Report**  
**12/31/2025**

Participant Name	HCE	Status	Comp	401(k)	%	Roth	%	Match	%	Nonelective	%	Safe Harbor	%	Total
Bakke, Sheryl	No	Active	\$131,200.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$3,936.00	3.00%	\$3,936.00
Bianco, Suzanne	No	Active	\$92,232.24	\$1,820.52	1.97%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$2,766.97	3.00%	\$4,587.49
Bojorquez-Manzo, Veronica	No	Active	\$53,809.83	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1,614.29	3.00%	\$1,614.29
<b>Totals</b>			<b>\$277,242.07</b>	<b>\$1,820.52</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$8,317.26</b>		<b>\$10,137.78</b>