

Procedure Title:**EMPLOYMENT BENEFIT PROGRAMS****PROCEDURE NUMBER: 3-2-0****Policy Title:**

401 (k) Savings PPlan

Effective Date:

2/1/2003

Revision Date:

10/1/2003

**APPLIES TO:**

- Chapter 2380 – Adult Training Facilities
- Chapter 2390 – Vocational Facilities
- Chapter 3800 – Child Residential and Day Treatment Facilities
- Chapter 6400 – Community Homes For Individuals With Mental Retardation
- Chapter 6500 – Family Living Homes
- Supported Living Program

PROCEDURE:

1. Keystone has established a 401(k) savings plan to provide employees the potential for future financial security for retirement.
2. To be eligible to join the 401(k) savings plan, you must complete 12 months of service and be 21 years of age or older. You may join the plan only upon employment or during open enrollment periods. Eligible employees may participate in the 401(k) plan subject to all terms and conditions of the plan. Keystone will begin to contribute to the employees' plan after one (1) year of service.
3. The 401(k) savings plan allows you to elect what percentage of your salary you want to contribute and direct the investment of your plan account, so you can tailor your own retirement package to meet your individual needs. Employees who contribute to the plan may contribute from one percent (1%) to twenty percent (20%) of their pre-tax earnings. Keystone may also contribute an additional matching amount to each employee's 401(k) contribution, as financial conditions permit. Employees who need additional information should contact Human Resources Department or refer to their 401(k) plan documentation.
4. Because your contribution to a 401(k) plan is automatically deducted from your pay before federal and state tax withholdings are calculated, you save tax dollars now by having your current taxable amount reduced. While the amount deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to 401(k) distributions.

5. Complete details of the 401(k) savings plan are described in the Summary Plan Description provided to eligible employees. Contact the Human Resources Department for more information about the 401(k) plan.

NOTES: