



ENGINEERING RESOURCE GROUP INC.

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Top 10 reasons to join the Engineering Resource Group, Inc. 401(k) Plan

1. The 401(k) plan is designed to supplement your retirement savings and investment. Contributions to the plan and any investment earnings are tax deferred until money is withdrawn, normally after the age of 59 ½.
2. You qualify to enroll in our plan **after three (3) months of service.**
3. Engineering Resource Group **will match 50% of your first 8% contribution.** As an example, if your weekly gross compensation is \$2,000 and you contribute 8% (\$160) to the plan, ERG will match it with another 4% (\$80).
4. The maximum contribution you can defer in 2011 is \$16,500. Individuals aged 50 or older can make "catch-up" contributions up to an additional \$5,500, bringing up the maximum total to \$22,000.
5. You can contribute up to 80% of your gross compensation. (This is helpful if you join us near the end of the year and you want to quickly contribute up to the maximum allowed for the year.)
6. **ERG's matching contributions will vest after only one (1) year of employment.** But it does not need to be continuous employment, as long as you re-join ERG and start re-contributing to the plan within a 5-year period of time, the vesting period will restart.
7. You will have a choice of apportioning your contributions (and ERG's matching contributions) into a traditional 401(k) or a **Roth 401(k).** In a Roth 401(k), your deferred contributions are **not** deducted from your current year's taxes. The big draw of the Roth 401(k) is that your after tax contributions grow tax free. When you withdraw your Roth 401(k) money, you will not pay any taxes on any of the gains you realized over the years (if the withdraw is after you are over the age of 59 ½ and you had at least 5 years of participation.) The Roth 401(k) may be especially appealing to employees who believe that marginal tax rates will be higher when they retire.
8. You can borrow from your 401(k) plan up to 50% of your current investment balance or \$50,000, whichever is lower. The best part is that the interest payments you pay are added to your own account (because you are borrowing your own money.) Note that **you cannot borrow from your Roth 401(k).**
9. **If you are 65 years old or older,** ERG's matching contributions are vested immediately (no waiting period.)
10. The cost of retirement is not getting any cheaper and as each year goes by, you are one year closer to retirement.

For the official description of our 401(k) plan details, please refer to our 401(k) Summary Plan Description.