

How do I get an allocation of shares?

- Contributions and forfeitures will be allocated based on an individual's eligible compensation for each Plan Year.
- **Eligible compensation** is defined as wages (salary and/or hourly), bonuses, commissions, overtime, holiday pay, vacation pay and all reimbursements.
- An eligible participant must meet the following two (2) provisions to receive an annual allocation:
 - Actively employed on the last day of the Plan Year (December 31st)
 - Work 1,000 hours

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- Participants that terminate employment due to **death, disability, or retirement** (age 65) are eligible to receive an allocation of contributions in the year they terminate regardless of employment on the last day of the Plan Year.

Share Allocation Example

- Here is an example:
 - 2020 Eligible Employee Compensation - \$40,000
 - Total Eligible Compensation for all Employees - \$2,000,000
 - Company's contribution releases 20,000 shares

$$\$40,000 / \$2,000,000 = .02 \text{ or } 2.0\%$$

This means the ESOP participant would receive 400 of the 2,000 shares allocated to all the eligible ESOP participants in 2020.

$$20,000 \text{ shares} \times 2.0\% = 400 \text{ shares}$$

Share Allocation Example

- Here is a chart showcasing how many shares of company stock this employee-owner would receive in the next six (6) years based on the following assumptions:
 - 3.0% increase in pay
 - 10% increase in total eligible compensation

