

Employer Matching Contributions for the AMO 401(k) Plan:

- Under the terms of some Collective Bargaining Agreements and Participation Agreements (hereinafter “Agreements”), employers will make Matching Contributions to the Plan based on a percentage of the Elective Contributions made by their employees. The amount of Matching Contributions, if any, and the wages upon which Matching Contributions are made is governed by the terms of the particular Agreement.
- For example, an Agreement may provide for an employer matching contribution of 50% of the employee’s elective contribution rate (includes pre-tax and post tax and excludes catch-up) up to a maximum of 50% of the first 10% of the employee contribution rate. In that case, if a participant elects to defer 8 %, the employer match will be 4%. If a participant elects to defer 12%, however, the employer match will only be 5%, since the match is limited to 50% of the first 10% of the employee deferral rate.
- In addition, compensation for employer matching purposes is defined as eligible straight time pay from the employer, at the daily rate, including any cost of living allowance, for all hours worked by the employee up to eight hours per day, plus all vacation pay earned during a plan year which is based upon time worked by the employee during the year. Thus, while the participant’s elective deferral rate is applied to the participant’s total compensation, including overtime, premium pay, etc., the matching contribution rate is only applied to straight time pay up to eight hours, plus applicable vacation time. To illustrate the process, please refer to this example:

Employee’s Compensation	Employee Elective 401(k) Withholding %	Employee 401(k) Contribution	Employer Matching 401(k) Contribution %*	Employer Matching Contribution
\$500.00 straight time \$150.00 overtime	12%	\$60 \$18	5% (limited to 50% of 10%)	\$25 \$0

* Employer matching contribution is based on 50% of the employee’s elective contribution rate, but not to exceed 5% (50% of the first 10% of the employee contribution rate) of the employee’s base compensation for that pay period.)

- The employer will remit to the AMO 401(k) Plan the applicable contribution. The Plan will then forward the contribution to the Plan’s recordkeeper, Ceridian, which is responsible for posting contributions to each participant’s account.
- Please note that if 401(k) withholding is elected for AMO Vacation benefits, the employer match will be based on the withholding authorization on file for the days of shipboard employment to which the Vacation benefit relates.