

## Long-Term Part-Time Employees



### What is the Long-Term Part-Time Employee rule?

Passed in 2020, a Long-Term Part-Time employee is defined as an individual who has three consecutive 12 month periods with 500 hours or more of service (as of **1/1/25 this changes to two consecutive years**).

Those who meet this requirement **MUST** be allowed to defer into the plan, regardless of other hour restrictions the plan may have.

### How must my plan comply?

- ⇒ *Service prior to 2021 will not be taken into account*
- ⇒ *If your plan has an age requirement, that will still apply*
- ⇒ *Once an employee meets the age and service requirement under the plan, he/she must be provided the opportunity to defer into the plan*



### Does this impact Employer Contributions

- ⇒ Employees brought into the plan under this rule are NOT required to receive any Employer Contributions
- ⇒ If you elect to provide Employer Contributions to them, for each year they work 500 hours or more they will gain a year in vesting