



TO: John Curran

FROM: Erin Alligood
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DATE: December 1, 2015

RE: 2015 401K Discretionary Contribution

We are currently seeking the Board of Trustees' approval for a 2015 401K discretionary 5% contribution to employees of record participating in the 401K plan as of December 1, 2015. The discretionary contribution would be made on December 24, 2015, in conjunction with that payroll.

The amount of the 2015 discretionary contribution will be \$ 285,796 - distributed among 55 employees of record (eligible to participate). The primary reason to request approval of this discretionary contribution is for ARIN to remain competitive in the Washington, DC area with regards to ARIN's overall benefits.

Generally, in order to qualify as an employee of record who would receive the discretionary contribution, there are three criteria, which are listed below:

1. The employee must be an active and current employee, and;
2. The employee must have completed one year of service, and;
3. The employee must have completed at least 1000 hours of service in the current plan (calendar) year.

Historically, ARIN has made the following 401K discretionary contributions:

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|-----------|-----------|
| 12/9/14: | \$279,226 |
| 12/13/13: | \$245,228 |
| 11/02/12: | \$226,747 |
| 08/12/11: | \$ 91,806 |
| 12/31/09: | \$147,690 |
| 11/30/07: | \$ 92,259 |

The Board guidance regarding a 401K discretionary payment has been to budget for it annually and seek approval when conditions warrant such as meeting budgetary, strategic, and operating goals.