LEECH LAKE
BAND OF OJIBWE

LEECH LAKE
EMPLOYEE
401(k) LOANS

EMPLEEES MAY NOW BE ELIGIBLE FOR 401K LOANS BASED ON THE FOLLOWING CRITERIA:

• Minimum loan amount is $1000
• Maximum loan amount is 50% of Vested Balance. Employees must have a minimum of $2000 in Vested Balance to request a 401k loan.
• Maximum payback time is 60 months
• Maximum payback for home purchase is 30 years (must have a copy of purchase agreement)
• Repayment must be done through payroll deduction
• Rate is Prime +1%
• There is a $125 fee to request a loan
• Employees can only have one active loan from their 401k
• The loan is not taxable unless you default on making payments to the loan

Each employee’s financial situation may be different and therefore careful consideration of requesting this type of loan is recommended.

• If an employee quits or is terminated, the loan will become a distribution and is subject to tax and applicable penalties.
• Money borrowed is a loan from an employee’s 401k where the interest paid is to the employee’s retirement account.

For more information, contact the BENEFITS OFFICE at ext. 3613 or 7254.