

ftwilliam.com
Administration Software
Users Group Meeting

Meeting #24 February 10, 2015

Agenda

- ▶ Troubleshooting ADP/ACP testing
- ▶ More on testing
 - The Combined Test
 - The General Test
- ▶ Using the aggregation tool
- ▶ Handling multiple employer plans
- ▶ Open forum

Troubleshooting ADP/ACP testing

Problem	Possible Cause
Max deferrals moving to CUC	No plan compensation on census See 415 report or scrub results
Too much associated match being refunded	<ul style="list-style-type: none">• No plan compensation on census• Match formula not entered, or entered incorrectly, on allocation parameters screen• Override <u>Employee</u> Contributions to be matched set to Yes
No associated match being forfeited	Even after refund the HCE is still deferring enough to get the maximum match
Participants not included in test	Eligibility incorrect; term date added in error



Troubleshooting ADP/ACP testing

Problem	Possible Cause
No QNEC option available	<ul style="list-style-type: none">• Pro-rata allocation & going to all employees• Using disaggregation or prior year testing
Error messages on ADP/ACP report	Not selecting test combination to correct – need to select, even if there’s only one
Correction reports not available	Not running the corrections – need to click on each option – refunds & QNEC – for the reports to be available.



The Combined Test

- ▶ Includes:
 - 415 limit
 - 410(b) coverage test
 - Deduction limit
 - Compensation test – need to select if test is required
- ▶ Always run the combined test BEFORE ADP/ACP tests and the general test

Combined Test Parameters

- ▶ Select aggregation if using
- ▶ Select disaggregation of otherwise excludables
- ▶ Divisions and MEP – APA options are displayed but not active



Coverage Testing

- ▶ Runs the Ratio Percentage test
 - Looks at proportion of HCEs vs NHCEs covered
 - NHCEs have to be at least 70% of HCEs
- ▶ If that fails, runs the Average Benefit test
 - The coverage test report only shows the reasonable classification test
 - Need to look at the general test for more detail (standard option)



The General Test

- ▶ Three tests:
 - Gateway
 - Rate Group
 - Average Benefits
- ▶ Gateway required to pass to move to other tests
- ▶ Rate group is required to pass at least at the mid-point
- ▶ Average benefits test required to pass if RG passes at mid-point
- ▶ If RG passes at 70%, AB test not required



The General Test

- ▶ Need to select type of test
 - Default is none
 - Most common option is cross test at mid-point
 - This will allow autosolve to suggest allocation to pass rate group test at mid-point
 - If average benefits test is failing, can select rate group test at 70%
 - Gateway test not required for standard test option
 - Can be used when coverage test is failing

Troubleshooting the General Test

Problem	Possible Cause
New comparability allocation will not run	<ul style="list-style-type: none">• Allocation type should always be 'Specified' for NCPS. 'Maximize' and 'Dollar' options are only available for other formulas• Groups not entered correctly on census – 'Group 1', 'Group 2' etc.
General test report not available	Combined test must be run before the general test
Error messages on test report	Tests not run in order
Autosolve options don't appear to be working	Should not have HCEs and NHCEs in the same group
Mysterious amounts in NEC column	Top heavy plan – TH minimums being calculated



Using the Aggregation Tool

- ▶ Aggregates two or more plans for testing, e.g. Plan A & Plan B
- ▶ Two options
 - Both plans using ftw software
 - One plan using ftw software, other plan(s) not
 - Need to add data from other plan on parameters screen
 - Click 'Refresh' to see space to enter



Aggregation – Two ftw Plans

Aggregation/Disaggregation Help

Divisions - Not used
Testing Divisions used (Not used): No ??

MEP - APA
Indicate status as MEP/APA None ??
If MEP/APA enter the MEP/APA Code

410(b)/401(a)(4)/ADP/ACP Testing
Testing Aggregation used: Yes ?? Refresh
If Testing Aggregation is 'Yes', Testing Aggregation group ID: FTW ??
If Testing Aggregation is 'Yes', Plan containing combined census: This Plan ??
If Testing Aggregation is 'Yes', combine selected data for duplicate Participants: No ??
Disaggregation using otherwise excludable employees: No ??
If disaggregation entry date used: Semi-annual ??

- ▶ Add a new 'Master' plan
- ▶ Indicate using aggregation and code Plan A, Plan B and master plan with same ID
- ▶ Indicate which plan is master – for combined census

Aggregation – Two ftw Plans

- ▶ Requirements:
 - Same plan year–end
 - Same method for HCE determination
 - Same Safe Harbor design
- ▶ Options
 - Combine data for duplicate participants – only one census record per ppt; can combine data or select which to use

Aggregation – Two ftw Plans

- ▶ Process plans A & B as normal up to running allocation
 - Data scrub calculates eligibility & identifies HCEs & keys
 - Plans may have different specs
 - Allocation calculates contributions
- ▶ Set up master plan, including setting up accounts & sources

Aggregation – Two ftw Plans

- ▶ Master plan set-up – allocation parameters
 - Set match and nonelective overrides to Yes
 - If same match formula for all plans, enter the formula – used for correction calculations
 - If running general test, enter PS formula by group – used for autosolve
- ▶ When set-up is complete, combine census in master plan

Aggregation – Two ftw Plans

Select Task

[Edit Census](#) | [Review Docs](#) | [Portal](#) | [Download Current](#) | [Download Prior](#) | [Upload Census](#)

[Other Import/Export/Reports](#)

Scrub done in component plans

[Set Combined Test Parameters](#)

[Set ADP/ACP Testing Parameters](#)


[Set General Test Parameters](#)

[Set Top Heavy Test Parameters](#)

Printing Parameters/Client Package

[Set Printing Parameters](#)

Miscellaneous Tasks

[Global Participant Search](#) | [Summary of Test Results](#) | [Plan Highlights](#) 

Combine Census for Group: FTW	Print Reports
Allocations done in component plans	Print Reports
Do Combined Test	Print Reports
Do ADP/ACP Test	Print Reports
Do General Test	Print Reports
Do Top Heavy Test	Print Reports
Select Reports	Print Package

- ▶ Click link to combine census – review messages before proceeding

Combine Census

[Home](#) > [Edit Company](#) > [Edit Plan](#) > [Admin](#) > Combine Census for Group

[Help](#)

Company: **ABC Company Inc**

Plan: **FTW Master Plan**

Year End: **2014-12-31**

List of Plans

Plan Name	Combination	Plan Type	Scrub Status	Alloc Status	401k Elig	Match Elig	PS Elig	Safe Harbor	ADP Test Year	ACP Test Year	Top Pd Group	Cal Year
Aggregation Plan 2014	Other Plan	401(k)	Run	Run	21-None	21-None	21-one (1) Year	No	Current year	Current year	Yes	Yes
FTW Master Plan	This Plan	401(k)	N/A	N/A	N/A	N/A	N/A	No	Current year	Current year	N/A	N/A
JN 2014 Demo Plan	Other Plan	401(k)	Run	Run	21-None	21-None	21-one (1) Year	No	Current year	Current year	No	Yes

Error: Differing HCE determination elections.

Warning: Numeric maximums for officers who are Key Employees and Top Paid Group for HCEs may not calculate properly when running the scrub in individual plans.

[Download list of excludable \(by reason of initial eligibility\) Participants](#)

List of Duplicate Participants

Sel	SSN	Participant Name	Plan Name	Key	HCE	Elig Hrs	Stat Comp
<input checked="" type="radio"/>	111-11-1111	Bennett, Elizabeth	Aggregation Plan 2014	Yes	Yes	2080	25000.00
<input type="radio"/>	111-11-1111	Bennett, Elizabeth	JN 2014 Demo Plan	Yes	Yes	2080	75000.00

Caution: Clicking on 'Combine Census in This Plan' will delete all master file and current participant records in this plan and replace them with records from aggregated plans.

You **MUST NOT** click this button if the Plan was tested as an individual (non-combined) plan for any other Year End.



Combine Census

- ▶ Click to combine
- ▶ Review any errors on results screen
- ▶ Run testing in master plan
- ▶ Transactions also copy across from both plans



Handling Multiple Employer Plans

- ▶ Functionality will eventually be added to handle MEPs and APAs
 - Some labelling already added
- ▶ Currently need to set up as separate plans and use the aggregation tool to combine for testing

Open Forum

- ▶ Question from a new member – do you collect census data from client, then upload the year end transaction reports from the vendors to complete year end testing/tax filing? Or do you do it vice versa?
- ▶ I'm hearing from some clients that they are being told by 'competitors' that the PA would not have to complete any type of census data? Is this possible?



Open Forum

- ▶ Next meeting – Tuesday, April 7, 2015
 - No March meeting because it's the end of testing season!
- ▶ Ideas for future agenda items:
- ▶ Questions, ideas, suggestions.....
- ▶ Thank you for attending!