ftwilliam.com Administration Software User Group Meeting

Meeting # 27 June 2, 2015

Today's Agenda

- Top-heavy testing with the ftwilliam.com software

- More on coming enhancements – the new look!

- Open Forum

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Topic 1

TOP HEAVY TESTING

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Review the Rules

- A top-heavy plan is one in which key employees own more than 60% of the account balances
  - Valued as of the 'determination date' which is generally the last day of the previous plan year
  - Certain distributions made during the five year period ending on the determination date need to be added back
  - Former key employees are excluded from the test
  - Aggregation of related plans may be required

Review the Rules

- A key employee is one who, in the plan year ending with the determination date:
  - Owns more than 5% of the company
  - Owns more than 1% of the company and earns more than $150,000 (not indexed)
  - Is an officer and earns above the income threshold (indexed - $170,000 for 2014 & 2015)
  - Family attribution rules apply for ownership
- A former key employee is someone who was previously key but no longer meets the criteria
  - Are excluded from the test permanently unless they return to key status

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Review the Rules

- If a plan is determined to be top heavy:
  - Generally non-key employees must receive a contribution of at least 3% of compensation
    - May be less if key employees' contributions are less than 3%
    - Other employer contributions may be counted including match
    - No hours requirement permitted but last day rule may be used
    - 3% must be based on full year compensation
  - Minimum vesting standards apply to top-heavy plans

Top Heavy Testing

- The top heavy test you run in the current plan year determines the plan's TH status for the following year
  - Uses balances as of the end of the plan year
  - Uses key employees 'for next year'
- Test results will populate the TH test parameters screen
- First year in ftwilliam users need to code top heavy plans as such
  - No need to use override

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Top Heavy Test Parameters Screen

Overrides

Top Heavy Determination Override:	No ▾ ??

Run Edit Checks Clear Edit Checks

Top Heavy as of Determination Date

Plan is Top Heavy as of the Determination Date:	Yes ▾ ??
Top Heavy asset percent for Determination Date year:	73.0396 ??
Top Heavy Balance this plan Key for Determination Date year:	1722696.56 ??
Top Heavy Balance this plan Non-Key for Determination Date year:	635882.00 ??
Top Heavy Balance other plan Key for Determination Date year:	0.00 ??
Top Heavy Balance other plan Non-Key for Determination Date year:	0.00 ??
Top Heavy Balance Key total for Determination Date year:	1722696.56 ??
Top Heavy Balance Non-Key total for Determination Date year:	635882.00 ??

Run Edit Checks Clear Edit Checks

Top Heavy for Next Year

Plan is Top Heavy for next year:	Yes ▾ ??
Transactions to use when calculating Participant balances:	All transactions other than ending balance ▾ ??
Top Heavy asset percent for next year:	71.3166 ??
Top Heavy Balance this plan Key for next year:	1932173.67 ??
Top Heavy Balance this plan Non-Key for next year:	777116.46 ??
Top Heavy Balance other plan Key for next year:	0.00 ??
Top Heavy Balance other plan Non-Key for next year:	0.00 ??
Top Heavy Balance Key total for next year:	1932173.67 ??
Top Heavy Balance Non-Key total for next year:	777116.46 ??

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Top Heavy Testing

- You need to complete the following steps to perform a top-heavy test successfully:
  - Review plan specifications; set up sources and, if appropriate, investment accounts. Add asset custodian if using
  - Load census data; run scrub; verify eligibility and key status
  - Do allocations and any other required testing
  - Load transaction batches, review and post
  - Review top heavy parameters & perform test

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Allocation Parameters Screen

Top Heavy Allocation - Top Heavy as of Determination Date: Yes

Plan to which Top-Heavy allocations are made:	This Plan ⌄ ??
Design of Plan automatically meets top heavy allocation requirements	No ⌄ ??
If Top-Heavy made in "This Plan", type of other plan maintained by the Company that covers employees eligible to participate in this Plan:	N/A - No other plan ⌄ ??
Include Match in Top Heavy minimums for Non Keys:	No ⌄ ??
Participants who share in Top-Heavy minimum allocations:	Non-Key only ⌄ ??
Aggregation required:	No ⌄ ??
If aggregation required, Aggregation group ID:	??
Override Top Heavy minimum allocation percent	No ⌄ ??
Override Top Heavy allocation percent:	0.000000 ??

- Top heavy status is coded on TH Test Parameters screen

- Always need to indicate if design meets TH requirements and whether to include match

- Override TH min allocation percent required if there are self-employed participants on census

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Troubleshooting - Problems with the test

- Test shows zero balances
  - Transaction batches not added, or added but not posted
  - Incorrect selection made for 'Transactions to use when calculating participant balances:' on the Set Top Heavy Test Parameters screen
    - Select 'All transactions other than ending balance' unless you have added only an ending balance batch
  - Census not uploaded

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Troubleshooting - Problems with the test

- Forfeiture account is included in the test
  - Give the forfeiture account a termination date prior to the first plan year in the system, and/or a date of birth making them ineligible
- Distributions are not being added back
  - Historical in-service distribution amounts can be entered in a supplemental grid for the first plan year using the ftwilliam software
    - Year one is the current plan year
  - Distributions taken in later years will pull from the transaction menu – need to be 'Inservice'

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Troubleshooting - Identifying Key Employees

- If someone should be key and is not:
  - Owners and officers need to be coded correctly on the both the current year and prior year census – 'Percentage Ownership', 'Family Group' and 'Family Group Relation'
  - Prior year compensation can be entered on supplemental grid if different
  - Can override calculation:
    - For all HCEs & keys – use the eligibility parameters screen and indicate HCEs and keys on a supplemental grid - use * ftw Override HCE Key grid

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Troubleshooting - Top Heavy Minimum Contributions

- The system is allocating a nonelective contribution when there's nothing in the allocation parameters requesting one
  - The plan is top heavy and it's allocating a top heavy minimum contribution because the keys are deferring
  - Make sure coding is correct on the allocation parameters screen - e.g. 'Design of Plan automatically meets top heavy allocation requirements'

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Troubleshooting - Top Heavy Minimum Contributions

- Allocation is more than top-heavy minimums or is not allocating the top-heavy minimums to non-keys

  - Enter 'None' for the nonelective allocation type and the software will calculate the bare minimum required

- Error message on the allocation results screen that the allocated amount is not enough to satisfy top-heavy minimums

  - Make sure the plan is coded for the top-heavy contribution to go to non-keys only, OR

  - Increase the amount allocated

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Troubleshooting - Top Heavy Minimum Contributions

- Top-heavy minimum amounts not being calculated – make sure that:
  - The plan is coded 'Top-heavy as of determination date'
  - The option: 'Design of plan automatically meets top-heavy requirement' is coded No
  - There are key employees identified for the current year and they have made contributions
  - The 'Profit Sharing' source is active
  - The compensation fields are populated on the census

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Topic 2

THE NEW LOOK

Overview of New Look Changes

Overall Look	Designed to look and function like the plan document software
Compliance Menu	Easy navigation to anywhere within the Compliance software
Tabs	Easy navigation to the next page (left or right) with the click of a button.
Year End Box	The year end box now has functionality to add, change and delete the plan year end
Plan Specifications	This will be the first page you see when adding the first plan year for a new plan
	Now is a single page with accordion style viewing
	Work with Sources/Inv Accounts moved to the top of the page
Work with Sources/Inv Accounts	Investment Account selections moved within the Work with Sources/Inv Accounts link
	Can now add all Inv Accounts to all sources quickly and easily
	"Do with Selected" to do specific tasks for selected sources
Census	Easily select/change primary census grid from the main Census screen
	Upload/download census from main Census screen
	Moved the participant inactive list below census grid data and can hide it.
Compliance Tasks	This is the main compliance page
	Parameters are accordion style
	Quick review status icons for tasks
Transactions	Select all batches functionality added
Miscellaneous Tasks	Easier to understand and follow format
	Select options, such as year, only once
5500 Data Report	5500 totals table visible but can still obtain detail and download
Loans	Condensed to a single Loans landing page to do all loan tasks
Reports	PDF has been added to every report with a rtf/Word report option
Tools/Settings	Most tool and setting options are now pop out boxes
	New *ftw print settings

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Topic 3

OPEN FORUM

Open Forum

- CE Credits – we are looking at the possibility of offering a CE credit for attending the user group meeting
  - Credit would be self reported

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Open Forum

- Next meeting – Tuesday, July 7
- Ideas for future agenda items?
- Questions, thoughts, suggestions…..
- Be sure to attend Thursday's webinar for a more detailed look at the software enhancements
- Don't forget to register for the ftwilliam.com Customer Conference, August 5-7 in Chicago

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