

ftwilliam.com
Compliance Software
User Group Meeting

Meeting #29 September 1, 2015

Today's Agenda

- Balance Forward Earnings
- Troubleshooting common problems
- Support requests
- Open Forum



Topic 1

BALANCE FORWARD EARNINGS

Source & Account Setup

- Use investment accounts
- Make sure:
 - Account/source setup is complete before adding transactions – no caution or error messages
 - All transactions are posted before allocating earnings

Setting up Sources & Accounts

- Plan Specs => Edit => Work with Sources/Inv Accounts
- See list of sources – check any or all
- ‘Do with selected’

<input type="checkbox"/>	SourceID	Suppress	Top Heavy	Source Name
<input checked="" type="checkbox"/>	401K	No	Yes	Elective Deferral
<input type="checkbox"/>	ROTH	No	Yes	Roth Deferral
<input checked="" type="checkbox"/>	MATCH	No	Yes	Matching Contribution
<input checked="" type="checkbox"/>	PS	No	Yes	Profit Sharing
<input type="checkbox"/>	QNEC	No	Yes	QNEC
<input type="checkbox"/>	ROLLUNREL	No	No	Rollover Unrelated
<input type="checkbox"/>		No	Yes	
<input type="checkbox"/>		No	Yes	
<input type="checkbox"/>		No	Yes	
<input type="checkbox"/>		No	Yes	
<input type="checkbox"/>		No	Yes	

Context Menu Options:

- Edit Account Info
- Suppress
- Un-Suppress
- Delete

Update Do with selected: ▾

Setting up Sources & Accounts

Home > Edit Company > Edit Plan > Compliance > Plan Specifications > Work with Sources/Inv Accounts

Company: The Fort Dev5 ID:
 Plan: Test Plan June 2015 ID:

Use Investment Accounts to track Participant balances: Yes / No [Work With Investment Accounts](#)

Loan Source Distribution/Hierarchy | Add Default Sources

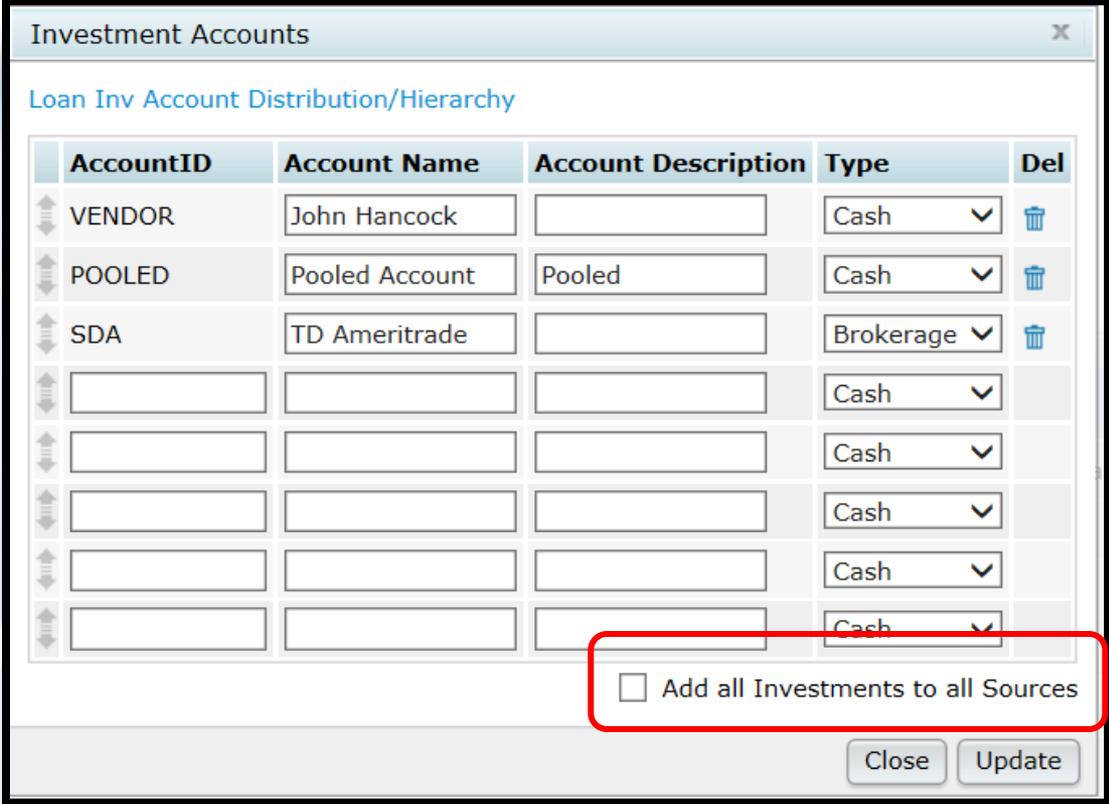
Top Heavy	Source Name	Source External ID	Vesting	Vest Other	Contribution Source	Earnings Alloc Meth	Curr Yr Factor	Curr Yr Contrib Factor	Account Information
Yes	Elective Deferral	A;C;K;M;R;S	100%	N/A	ElectiveDeferral	Bal Forward - Trad	100.00	0.00	3 Accounts
Yes	Roth Deferral	B	100%	N/A	Roth	Bal Forward - Trad	100.00	0.00	3 Accounts
Yes	Matching Contribution	D	100%	N/A	Matching	Bal Forward - Trad	100.00	0.00	3 Accounts
Yes	Profit Sharing	F	100%	N/A	NonElective	Bal Forward - Trad	100.00	0.00	3 Accounts
Yes	QNEC	Q	100%	N/A	QNEC	Bal Forward - Trad	100.00	0.00	3 Accounts
No	Rollover Unrelated	P	100%	N/A	RolloverUnrel	Bal Forward - Trad	100.00	0.00	3 Accounts
Yes			100%	N/A	None	Bal Forward - Trad			N/A
Yes			100%	N/A	None	Bal Forward - Trad			N/A
Yes			100%	N/A	None	Bal Forward - Trad			N/A
Yes			100%	N/A	None	Bal Forward - Trad			N/A
Yes			100%	N/A	None	Bal Forward - Trad			N/A

Update Do with selected:

- Work With Investment Accounts to add accounts

Adding Investment Accounts

- New option to add all investments to all sources



The screenshot shows a window titled "Investment Accounts" with a sub-header "Loan Inv Account Distribution/Hierarchy". It contains a table with the following data:

AccountID	Account Name	Account Description	Type	Del
VENDOR	John Hancock		Cash	
POOLED	Pooled Account	Pooled	Cash	
SDA	TD Ameritrade		Brokerage	
			Cash	

At the bottom right of the window, there is a checkbox labeled "Add all Investments to all Sources" which is currently unchecked. Below this checkbox are two buttons: "Close" and "Update".

Adding Investment Accounts

- Account type can be 'Cash' or 'Brokerage'
 - Use brokerage when one or more participants have their own self-directed brokerage account
 - Allows earnings to be allocated to individuals
 - Only one brokerage type account can be added

Earnings Formula

- Earnings formula is coded on the Source Setup screen
 - Two methods – ‘Traditional Method’ or ‘All Transactions’
 - ‘Current Year Factor’ and ‘Current Year Contribution Factor’ are also set on this screen

Earnings Formula

Contribution Source	Earnings Alloc Meth	Curr Yr Factor	Curr Yr Contrib Factor
ElectiveDeferral	Bal Forward - Trad ▼	100.00	50.00
Roth	Bal Forward - Trad ▼	100.00	50.00
Matching	Bal Forward - Trad ▼	100.00	50.00
NonElective	Bal Forward - Trad ▼	100.00	0.00
QNEC	Bal Forward - Trad ▼	100.00	0.00
RolloverUnrel	Bal Forward - Trad ▼	100.00	68.00
None	Bal Forward - Trad ▼		

- Earning Alloc Method select Traditional or All Transactions
- Curr Yr Factor weights activity other than contributions
- Curr Yr Contrib Factor weights contributions

Earnings Logic

- Earnings are allocated based on beginning balance:
 - Minus X% of money going out
 - X = Current Year Factor
 - Plus Y% of contributions coming in
 - Y = Current Year Contribution Factor
- If using all transactions method X% of money coming in, other than contributions, is also added

Earnings Allocation - Basis Methods

Current Year Factor = 100%; Current Year Contribution Factor = 50%

All Transactions

Traditional Method

Beginning Balance Adjusted by	
Subtracting 100% of	Distributions In-service distributions ADP/ACP Corrective distributions Insurance premium payments Transfers Out, Forfeitures Loan Distributions
Adding 100% of	Transfers In Loan Repayments Forfeiture Allocations
Adding 50% of	Contributions

Beginning Balance Adjusted by	
Subtracting 100% of	Distributions In-service distributions ADP/ACP Corrective distributions Insurance premium payments Transfers Out, Forfeitures Loan Distributions
Adding 50% of	Contributions

Allocating Earnings

Enter amounts

Transaction Batch Actions

- Create Beginning Balance
- Compare Beginning Balance Prior Year
- Create New Batch
- Allocate Bal Frwd Earnings**
- Create Ending Balance
- Calculate Earnings

Create Balance Forward Earnings

Period Beginning: 01/01/2015
Period Ending: 12/31/2015

AcctID	Inv Account Name	Inv Account Description	Type	Alloc Amount
VENDOR	John Hancock		Cash	0.00
POOLED	Pooled Account	Pooled	Cash	350232.98
SDA	Brokerage	Bogart, Humphrey	Broker	45026.77
SDA	Brokerage	Gable, Clark	Broker	6193.40
SDA	Brokerage	Leigh, Vivien	Broker	6571.04

Cancel Update Update & Create Batch

Troubleshooting Earnings Allocation

Problem	Possible Solution
No link to allocate earnings is available	<ul style="list-style-type: none">• You need a posted beginning balance batch and no ending balance batch to be able to allocate earnings
No earnings batch is created when you click 'Update and Create Batch'	<ul style="list-style-type: none">• Beginning balances are all zero and contributions are not weighted• No assets in the accounts you entered earnings for
Some participants are not getting earnings	<ul style="list-style-type: none">• Their beginning balance is zero and contributions are not weighted

Troubleshooting Earnings Allocation

Problem	Possible Solution
A participant who took a 100% distribution is still receiving earnings	<ul style="list-style-type: none">• Distribution batch was not posted when earnings were allocated• Distribution is less than 100%
The forfeiture account is sharing in the earnings and I don't want it to	<ul style="list-style-type: none">• Set up an investment account just for the forfeitures

FAQs on Earnings Allocation

Problem	Possible Solution
How do I allocate earnings as of the end of the quarter?	You need to enter the date range that you want to use in the Begin Date and End Date fields at the top left of the Transaction screen. Batches with dates within that range will be included
How do I show fees separately on statements, rather than having them deducted from earnings?	You would need to code the transactions as something other than fees, such as insurance premiums (InsPrem). That way the amounts will be in the 'Other' column on the statements
Is there a way to see the basis of the earnings calculations?	Yes – the basis is shown in the 'TransUnits' column – the last column on the earnings batch



Topic 2

TROUBLESHOOTING COMMON PROBLEMS

Troubleshooting Uploading the Census

- If you are unable to upload your worksheet the following are possible reasons:
 - Grid IDs don't match – in cell A3 of worksheet
 - System will offer a list of grids with matching ID's and users can select.
 - Data doesn't begin on row 6
 - The SSN & Employee Number columns are both populated
 - There are one or more odd characters in the data
 - There are two identical fields on the census grid, even though they may have different column headings

Troubleshooting the Data Scrub

- Scrub won't run and you see a message that no participants have been added
 - A few users have reported this since the new look was released
 - We have not been able to replicate
 - Fix is to download the census and upload

Troubleshooting the Data Scrub

- Error messages on the scrub results screen continue to display, even though underlying cause has been fixed
 - Errors on the scrub don't clear unless you do one of two things:
 1. Re-upload the census data, or
 2. Click the 'Clear all errors/overrides' message on the scrub results screen
 - Either way you will need to re-run the scrub

Troubleshooting the Allocation

- Possible causes for contributions not being calculated
 - No compensation
 - No one is eligible
 - Deduction limit is exceeded
 - Amount is insufficient to meet top-heavy minimums
 - Formula is non-compliant or entered incorrectly
 - Problem with New Comp groups

Troubleshooting the Allocation

- Top heavy minimums not being calculated - make sure that:
 - Plan is coded 'Top-heavy as of determination date'
 - 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
 - All compensation fields are populated on the census

Troubleshooting the TH 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 uploaded only an ending balance transaction batch

Troubleshooting the TH 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



Topic 3

SUPPORT REQUESTS

Support Requests

- Nearly 3,400 requests to support received so far in 2015 on the compliance software
 - Includes emails and calls
- Equates to more than 100 per week or 20 per day

Support Requests

- Please use the support option while in the plan you have the question on
 - Automatically includes a lot of information
 - Helps support staff respond faster
 - Makes your life easier
- Provide additional information if pertinent, e.g. names of participants, specific report

Open Forum

- No meeting in October due to the 5500 deadline
- Next meeting will be Tuesday, November 3 – ideas for agenda items?
- Questions, thoughts, suggestions.....
- Thank you for attending and enjoy the rest of Summer