

ftwilliam.com Compliance Module User Group

»» Meeting #55
December 4, 2018



Agenda

- ▶ The ftwilliam.com loan & distribution modules:
 - Background
 - Setup
 - Adding a new loan
 - Adding a new distribution
 - Feed to the ftw 1099-R
- ▶ Census grids
 - Customizing
 - Mapping
- ▶ Tips of the month
- ▶ Wrap-up

The Loan & Distribution Modules

Jane Nickalls


Background on the Loan & Distribution Modules

- ▶ The Distribution module is available to all users
- ▶ The Loan module is available when the document checklist is coded to allow loans (J 30)
 - ▶ For non-document users using a miscellaneous checklist, the module is always available
- ▶ There's no extra cost for either module

Setup for using the Loan & Distribution Modules

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

Select Yes if using the loan module

Loan/Distribution/Fee Hierarchy [Add Default Sources](#) 

<input type="checkbox"/>	SourceID	Suppress	Top Heavy	Source Name	Source External ID	Vesting
<input type="checkbox"/>	401K	No ▼	Yes	Elective Deferral		100% ▼
<input type="checkbox"/>	MATCH	No ▼	Yes	Matching Contribution		100% ▼
<input type="checkbox"/>	QMAC	No ▼	Yes	QMAC		100% ▼
<input type="checkbox"/>	QNEC	No ▼	Yes	QNEC		100% ▼
<input type="checkbox"/>	PS	No ▼	Yes	Profit Sharing		100% ▼

Click here to set up the source hierarchy for distributions, fees & loans

Setup for using the Loan & Distribution Modules

Loan/Distribution/Fee Hierarchy ? x

Updates were successful!

Source ID	Source Name	Fees	Loans	In-Service	Distribution
401K	Elective Deferral			<input type="text" value="1"/>	
MATCH	Matching Contribution			<input type="text" value="2"/>	
PS	Profit Sharing			<input type="text" value="3"/>	
QMAC	QMAC			<input type="text" value="4"/>	
QNEC	QNEC			<input type="text" value="5"/>	

Pro rata Pro rata Ordering rule Pro rata

Close Update

- ▶ Select Pro rata or Ordering rule
 - Pro rata means the loan/distribution/fee will be distributed pro-rata from all sources based on balances
 - Ordering rule allows you to specify which source to take from – first, second etc.

Setup for using the Loan & Distribution Modules – Investment Accounts

Loan/Distribution/Fee Investment Hierarchy

Account ID	Account Name	Allow Fees	Fees	Allow Loans	Loans	Allow In-Service	In-Service	Allow Dist	Distribution
LOAN	Loan Fund	No ▼		No ▼		No ▼		No ▼	
POOLED	Pooled Account	Yes ▼		Yes ▼	110	Yes ▼		Yes ▼	
VENDOR	American Premier Funds	Yes ▼		Yes ▼	100	Yes ▼		Yes ▼	

Select Loan Account: LOAN ▼

Close Update

- ▶ Select Pro rata or Ordering rule
 - Pro rata means the loan/distribution/fee will be distributed from all accounts based on balances
 - Ordering rule allows you to specify which account to take from first, second etc.

Adding a New Loan to the Loan Module

- ▶ Loans are added in the plan year they are issued
 - May need to add the new year before the year end
 - Since the loan module is independent of the Tasks menu, you don't need census data in the newly added year
- ▶ Available account balances will pull from the transaction menu – no need to bring forward prior year ending balances
 - You can override the amount available on the new loan screen – click 'Review/Edit' & enter new amounts
- ▶ Problem adding a loan? Check account & source setup – you may need to delete the loan & re-add

Adding a New Loan

► Need to enter:

- Description – we suggest a unique description
- Origination Date
- Principal – i.e. amount being borrowed – can override
- Interest rate – link to WSJ shows prime rate
- Number of payments or payment amount
- First repayment date
- Prepay loan – most flexibility by selecting ‘Prepay in full or in part’ – allows you to make adjustments to interest and/or principal when posting repayments

Enter Loan Data for Participant		
Name	Hurst, Louisa	Loan Policy
SSN	111-11-1126	
Description	2016 Loan #1	
Origination date	11/30/2016	
Principal	10000.00	Max: 34754.98 Review/Edit
Annual interest rate	5.000000	Look up prime rate
Repayment Type:	Number of Payments	
Number of payments	130	
Payment Amount	0.00	
First repayment date	12/30/2016	
Number of outstanding loans permitted		2
Allow extended term for principal residence	No	No
Payment frequency	Bi-Weekly	pay period
Payable in full on termination	Yes	Yes
Prepay loan	Prepay in full or in part	Prepay in full or in part
Repay by payroll deduction	Yes	Yes
Loan processing fee	No	No
Loan processing fee amount	0.00	
Loan maintenance fee	No	No
Loan maintenance fee amount	0.00	
Loan default period	Specified days	Specified days
If 'Specified day', number of days	60	
Require spousal consent	Determined by Doc Specs	

[Print Loan Documents and Post Transactions](#)

Adding a New Loan

- ▶ After adding all the required fields on the new loan screen, click the 'Update' button, then the link to print loan documents & post transactions will be active
 - Option to print amortization schedule in Word or Excel, promissory note in Word, or both together in a single Word document
 - If spousal consent is required, this will be included with the promissory note
 - Click the 'Post Loan' button to create a transaction batch showing the loan distribution and add the loan to the loan module for tracking

Loan Repayments

- ▶ Loan screen lists loan payments due within 30 days, or other selected date range
- ▶ Can modify date received, add additional interest and/or principal if allowed
- ▶ To post payments, select for payment and click the 'Post Loan Payments' button
 - Creates batches in the transaction menu and tracks payments in the loan module

Adding a New Distribution

- ▶ Distributions need to be added in the plan year they are issued
- ▶ Select the Distributions option from the Transactions menu
 - Click the 'Add New Distribution' link
 - Select the participant from the drop-down & add a description
 - Select 'Distribution' or 'In service/Partial'
 - Enter the date the distribution was taken
 - Select any fee details
 - Click the update button to add the record

Adding a New Distribution

Enter Distribution Data for Participant ✕

Description	2017 Distribution - Blue		
Name	Blue, Amy	Age	67
SSN	111-11-1119	Status	Term
Type	<input type="text" value="Distribution"/>	Date of Termination	09/03/2017
Option	Lump Sum	Waive Fee	<input type="text" value="No"/>
Date Processed	<input type="text" value="12/04/2017"/>	Fee Amount	<input type="text" value="50.00"/>
Outstanding Loan Amount	0.00	Balances: Review/Edit	

Add Transactions

- ▶ Click 'Review/Edit' to review or edit available balances and enter the type of distribution – a percentage or dollar amount

Adding a New Distribution

Amounts Available for Distribution

Green, Aaron SSN: 111-11-1111 Request Lower Amount % \$ Apply Forfeitures? Yes ▾

Source	Investment	Balance	Posted Dists	Posted Forfs	Vest %	Available	Forf-Curr	Dist Amt
401K	LOAN	0.00	0.00	0.00	100.00	0.00	0.00	0.00
401K	POOLED	0.00	0.00	0.00	100.00	0.00	0.00	0.00
401K	VENDOR	50,670.60	0.00	0.00	100.00	50,670.60	0.00	5,067.06
MATCH	LOAN	0.00	0.00	0.00	100.00	0.00	0.00	0.00
MATCH	POOLED	0.00	0.00	0.00	20.00	0.00	0.00	0.00
MATCH	VENDOR	17,810.09	0.00	0.00	20.00	3,562.02	-14,248.07	356.20
PS	LOAN	0.00	0.00	0.00	100.00	0.00	0.00	0.00
PS	POOLED	0.00	0.00	0.00	20.00	0.00	0.00	0.00
PS	VENDOR	3,000.00	0.00	0.00	20.00	600.00	-2,400.00	60.00
ROLLUNREL	LOAN	0.00	0.00	0.00	100.00	0.00	0.00	0.00
ROLLUNREL	POOLED	0.00	0.00	0.00	100.00	0.00	0.00	0.00
ROLLUNREL	VENDOR	0.00	0.00	0.00	100.00	0.00	0.00	0.00
TOTALS		71,480.69	0.00	0.00		54,832.62	-16,648.07	5,483.26

Outstanding Loan Amount

Gross Amount 5,483.26

[Download .csv](#)

Save Approve Close

- ▶ Select a percentage or dollar amount
- ▶ Forfeiture amounts will be calculated if the option is selected – may wish to do only with final payout
- ▶ Fees will also be calculated if selected – fee transaction batch will also generate

Adding a New Distribution

- ▶ Save button saves the distribution details
- ▶ Approve button locks it – cannot be changed once this is clicked
 - Distribution can still be deleted
 - Click the ‘Add Transactions’ link to add transaction batches

Enter Distribution Data for Participant			
Description	2017 Distribution - Green		
Name	Green, Aaron	Age	30
SSN	111-11-1111	Status	Term
Type	Distribution	Date of Termination	08/04/2017
Option	Lump Sum	Waive Fee	Yes
Date Processed	12/05/2017	Fee Amount	
Outstanding Loan Amount	0.00	Balances: Review/Edit	
Distribution Amount	5483.26		

[Add Transactions](#)

Feed from Compliance to the 1099-R Module

Jane Nickalls

1099-R Feed

- ▶ Go to Miscellaneous=>1099-R Export
 - Click 'This Plan' button to calculate
 - View/Edit to see the records
 - Transfer Records will push the records to the 1099-R module

1099-R Export Menu

Select Year End: 2017

Calculate: This Plan

View/Edit: Web - This Plan

Transfer Records: Push - This Plan

Close

- ▶ Global option also available – use with caution!
- ▶ Transferring records overwrites any already added

1099-R Report

Form Year: 2017

PayerTIN	PartTIN	Participant Name	Gross Dist	Taxable Amt	PartTaxAmt NotDet	Fed Tax WH	Code1	Code2	StatusMessage
	111-11-1111	Green, Aaron	5483.26	5483.26	0	1096.65	1		Bad Payer TIN Bad Address

Close

Grids

Andy Schommer

How to Edit a Grid

- ▶ Go to Census=>Create/Edit Grids
- ▶ Primary census grid will appear in the drop-down – select this or another grid to edit
 - * ftw grids can only be viewed or copied
- ▶ On the Edit screen, use the Field drop-down box
 - Select None to delete a field
 - Select a new field to add
- ▶ Sequence numbers determine the order of the fields

Editing a Grid

- ▶ Heading & Help Test columns will auto-populate but are editable

Home > Edit Company > Edit Plan > Compliance > Data Entry Grids > Edit Data Entry Grid [Updates](#) [Help](#)

Update | Update and edit mapping | Please note that mapping will only occur on the grid selected for uploading/entering census data.

Short Description: | Excel Download file type:

Long Description

Seq	Field	Heading	HelpText
100	M:LastName	Last_Name	Enter the employee's last name
110	M:FirstName	First_Name	Enter the employee's first name
120	M:SSN	SSN	Enter the employee's social security number
130	M:EmployeeNumber	Employee_Number	Enter the employee number assigned by the employer
140	R:Compensation_Statutory	Comp_Statutory	Enter compensation in current plan year
150	R:Compensation_TopHeavy	Comp_TopHeavy	Enter compensation for top heavy purposes
160	R:Compensation_TopHeavy_Adj	Comp_TopHeavy_Adj	Enter compensation for top heavy purposes (up to Compensation limit)
170	R:KEY_Employee_DetermDate	KEY_EE_Determ_Date	Indicate whether the employee is a key employee for determination date year
180	R:Eligible_TopHeavy	Eligible_TopHeavy	Indicate whether the Participant is eligible for the top heavy minimum:
190	R:Contribution_NonElective_TopHeavyTotal	Contrib_NonElective_TopHeavyTotal	Enter total contributions taken into account for top heavy allocations
200	R:Contribution_NonElective_TopHeavyAdditional	Contrib_NonElective_TopHeavyAdditional	Enter total additional contributions made to meet top heavy minimum allocations
210	R:Contribution_NonElective	Contrib_NonElective	Enter nonelective contribution
	None		
	None		
	None		
	None		
	None		

Grid Mapping

- ▶ There are multiple compensation fields used in the calculations done by the data scrub
 - Typically feed from statutory or entry date compensation field on grid
- ▶ Mapping is pre-set on the five * ftw primary census grids
 - Mapping not required on supplemental grids
 - When uploading a supplemental grid, select 'No Map' option
- ▶ Hours fields also map

Grid Mapping

Description: * ftw Primary 1 Census (comp and comp after elig)

System Field	Grid Field	Custom map
Service_EligibilityHours	On data entry grid	N/A
Service_EligibilityHoursInitial	Service_EligibilityHours	
Service_VestingHours	Service_EligibilityHours	
Service_ParticipationHours	Service_EligibilityHours	
Compensation_ElectiveDeferral	Compensation_FromEntry1	
Compensation_Matching	Compensation_FromEntry1	
Compensation_MatchingSH	Compensation_FromEntry1	
Compensation_NonElective	Compensation_FromEntry1	
Compensation_NonElectiveSH	Compensation_FromEntry1	
Compensation_TopHeavy	Compensation_Statutory	
Compensation_ACPTesting1	Compensation_FromEntry1	
Compensation_ACPTesting2	Compensation_FromEntry1	
Compensation_ADPTesting1	Compensation_FromEntry1	
Compensation_ADPTesting2	Compensation_FromEntry1	
Compensation_NonElectiveTesting	Compensation_FromEntry1	
Compensation_Statutory	On data entry grid	N/A
Compensation_Statutory_FromEntry	Compensation_Statutory	
Compensation_Statutory_PriorYear	None	
Compensation_Statutory_CalYr	Compensation_Statutory	
Compensation_ExclDeferrals	Compensation_FromEntry1	
Compensation_Deduction	Compensation_Statutory	

View mapping | Please note that mapping will only occur on the grid selected for uploading/entering census data.

Short Description: Primary 1 Census | Excel Download file type: CSV

Used to enter census data for 401(k) plans

- View mapping on system (* ftw) grids
- Edit mapping on custom grids
- Note that changing mapping only does not change grid ID

When Might I Need to Adjust Mapping?

- ▶ Different eligibility for different sources
 - E.g. defer immediately; one year/1000 hours for match
- ▶ Different compensation used for contributions
 - E.g. deferrals use entry date compensation; PS uses entry date less bonuses
- ▶ In either of the above scenarios, you would add an additional compensation field to the grid and adjust the mapping
 - Add e.g. 'Compensation_FromEntry2'

Grid Mapping

- ▶ Add another field to the census grid
 - Heading & Help Text fields are editable – customize the description!

210	R:Compensation_Statutory	▼	Statutory Comp	Enter compensation in current plan year
220	R:Compensation_FromEntry1	▼	Plan Comp	Enter compensation for current plan year or comp from entry date
230	R:Compensation_FromEntry2	▼	Plan Comp less bonuse	Enter compensation from entry date less bonuses

New compensation field is then available to map to other fields

Compensation_Matching	None
Compensation_MatchingSH	Custom Calculation
Compensation_NonElective	Compensation_Statutory
Compensation_NonElectiveSH	Compensation_FromEntry1
Compensation_TopHeavy	Compensation_FromEntry2
	Compensation_FromEntry1 ▼
	Compensation_Statutory ▼

How Does Mapping Get Messed Up?

- ▶ Below are the two most common reasons:
 1. User creates new primary census grid from scratch and doesn't set up mapping – better to copy a primary system grid and edit
 2. User copies one of the primary system grids, e.g. * ftw Primary 1, and deletes the plan compensation column
 - Fields that previously mapped from plan comp now don't map

Tips of the Month

Andy Schommer

Tip of the Month #1

- ▶ Make sure each compensation field on your census grid is completed.
- ▶ Most grids will have statutory comp and plan comp.
- ▶ Common Issues if one is left blank
 - Failure of plan limit test
 - Removal of deferrals from census
 - See Scrub Errors/Warnings report
- ▶ If using a custom census grid, double check mapping

Tip of the Month #2

- ▶ If HCEs/Keys are not being correctly identified, check the following:
 - Ownership, Family Group & Family Group Relation columns are all populated on the census in both current & prior years
 - First year in ftw:
 - If using TPG, use the first year supplemental grid to indicate who was in TPG
 - Otherwise if prior year compensation was different, use the first year supplemental grid to enter actual prior year compensation
 - In scrub parameters:
 - Make sure the global HCE/Key override is not set to Yes
 - If the plan is a non-calendar year, make sure that 'Use calendar year data election' is not set to Yes – this requires calendar year data

Wrap-up

- ▶ The next meeting will be Tuesday January 8, 2019 at 12 Noon CT
- ▶ Questions, suggestions can be submitted via chat now, or to support@ftwilliam.com
 - Please let us know your suggestions for future topics for the user group meetings
- ▶ Happy Holidays to all our users!

