

ftwilliam.com  
Compliance User  
Group Meeting

Tuesday November 5, 2019

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# Agenda

- Required Minimum Distributions
- Reminders for Year-end
- Tips of the month
- Wrap-up

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# Required Minimum Distributions

# RMD Rules Refresher

- Generally, participants must begin taking required minimum distributions when they reach 70½
- Required Beginning Date is April 1 following the later of the calendar year in which a participant:
  - Reaches age 70½, or
  - Retires – this does not apply to >5% owners
- Second distribution must be taken by December 31 of the same year
- Check the plan document for variations on specific provisions

# Examples – Non Owners

- ▶ Jamal was born on February 8, 1949
  - ▶ He turned 70.5 on August 8, 2019; he's already retired
  - ▶ RBD is April 1, 2020
  - ▶ Next distribution due by December 31, 2020
- ▶ Emma was born on January 28, 1947; she retired on October 16, 2019
  - ▶ RBD is April 1, 2020
  - ▶ Next distribution due by December 31, 2020
  - ▶ (If Hannah was a >5% owner, her RBD would be April 1, 2018)

# RMD Rules Refresher

- ▶ Amount of required distribution is the account balance at the end of the previous year divided by life expectancy
  - ▶ Uniform Lifetime Table used in most cases
  - ▶ Joint Life and Last Survivor Expectancy Table – if spouse is the sole beneficiary and is more than 10 years younger
  - ▶ Beneficiaries use Single Life Table
- ▶ Potential penalty for not taking the distribution is 50% of the distribution amount

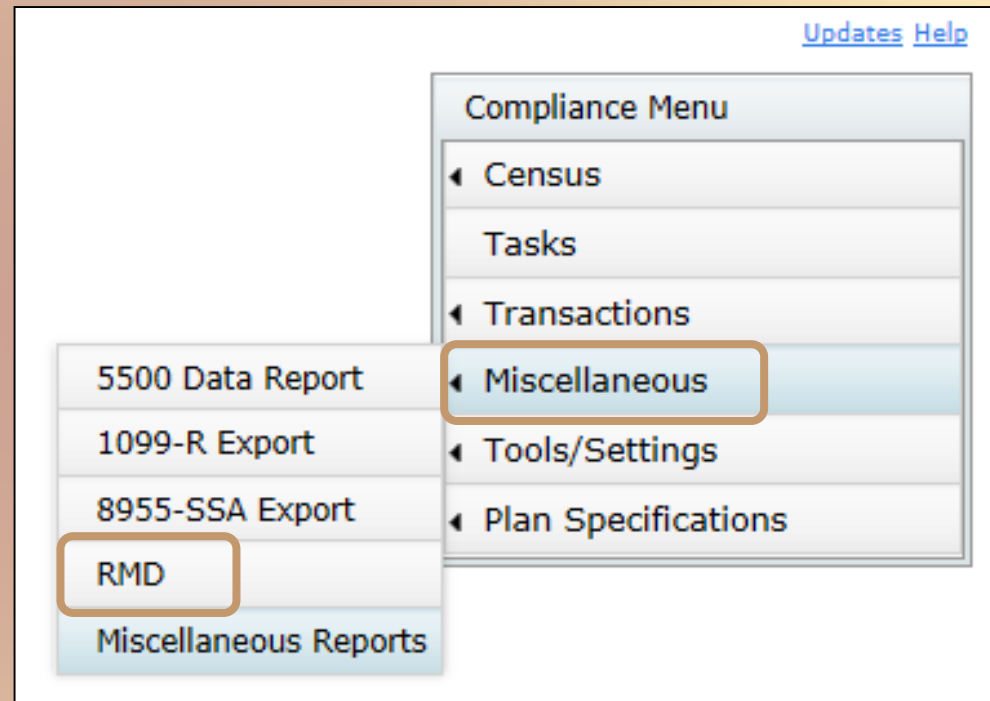
# RMD Functionality

- ▶ The ftwilliam.com software will calculate required beginning dates and required minimum distribution amounts
- ▶ Need census data AND transactions added & posted
- ▶ Data scrub and one of the transaction or vesting reports must be run
- ▶ Global or plan by plan options are available



# RMD Menu

- ▶ Select RMD from the Miscellaneous section of the Compliance Menu





# RMD Menu

- ▶ Select distribution year (defaults to current year) and report type – web page or CSV
- ▶ Select This Plan or All Plans
- ▶ First calculate, then run reports

Home > Edit Company > Edit Plan > Compliance > Required Minimum Distribution

Company: ABC Company Inc ID:  
 Plan: RMD Test Plan ID:  
 Year End: 12/31/2017

Year: 2018 ▼  
 Format: Web ▼

Calculate RBD/RMD: This Plan ▼  
 RBD/RMD Report: This Plan ▼

RBD = Required Beginning Date  
 RMD = Required Minimum Distribution

First calculate, then view report

Report	Format
RMD Notice	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

Participant	2018	2017	2016	2015	2014	2013
Fonda, Henry	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data
Gable, Clark	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data
Hepburn, Audrey	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data	
Leigh, Arthur	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data	Edit Data
Presley, Elvis				Edit Data	Edit Data	Edit Data

# Overriding Participant Data

Edit Participant - Master

Company: ABC Company Inc  
Plan: RMD Test Plan  
Participant: Hepburn, Audrey

**NOTE:** The 'Override Calculation of Required Beginning Date' field must be set to 'Yes' to override a) The date the participant attained age 70-1/2, b) The RMD first distribution calendar year and c) the RMD required beginning date.

RBD Overrides	
Override Calculation of Required Beginning Date	No ??
Date the Participant attained age 70-1/2:	08/03/2013 ??
Enter the employee's date of death	??
Participant was a 5% owner in the plan year ending in the calendar year in which the Participant attained age 70-1/2:	No ??

Close

- Click on the participant's name to override participant data including the required beginning date, ownership information and which life expectancy table to use

# Overriding Financial Data

- Click on the 'Edit Data' link to override distribution information including the end of prior year account balance & the RMD Factor

Edit Participant - 2018 RMD

Company:	ABC Company Inc
Plan:	RMD Test Plan
Distribution Calendar Year:	2018
Participant:	Fonda, Henry

RMD Overrides

Override calculation of Participant account balance:	No	??
Participant total balance for purposes of calculating RMD:	803233.64	??
Participant vested balance for purposes of calculating RMD:	803233.64	??
Override calculation of Participant RMD Factor:	No	??
Factor used to calculate Participant RMD	20.3	??

Close

# Calculating RBDs & RMDs

## Review error lists

- Most common RBD error is a beneficiary DOB that's invalid or missing
- Most common RMD error is zero balance

RBD/RMD Calculations		
Calendar Year: 12/31/2017		
<b>Required Beginning Date Errors</b>		
Participant Name	ERROR	
<b>RMD Test Plan - 12/31/2016</b>		
Hepburn, Audrey	Invalid designated beneficiary birthdate:	
Leigh, Arthur	Invalid designated beneficiary birthdate:	
<b>Required Minimum Distribution Errors</b>		
Plan Name	Participant Name	ERROR
RMD Test Plan,	Presley, Elvis	Zero balance as of 2016-12-31
Close		

# Print Report

- ▶ Once you have run the RBD and RMD calculations you can print the reports
- ▶ Plan level report is available as a web page, or a CSV file – select format on from Format drop-down on main RMD screen
- ▶ Participant Notice also available

# Plan Level RBD & RMD Reports

RBD/RMD Reports

Calendar Year: 12/31/2017

**Required Beginning Date Report**

Participant Name	SSN	Status	Override	70-1/2 Date	Death Date	5% Owner	Non 5% Term Date	Desig Ben Birth Date	1st Distribution Cal Year	Required Beg Date	Life Tables
<b>RMD Test Plan</b>											
Presley, Elvis	111-11-1125	Term	Yes	08/08/2009		No	02/19/2013	07/31/1954	2013	04/01/2014	Joint and Last Survivor Table

**Required Minimum Distribution Report**

Presley, Elvis	111-11-1125	Term	2016-12-31	No			No	23.8	0.00
Leigh, Arthur	222-22-2222	Active	2016-12-31	No	836,279.81	836,279.81	No	15.5	53,953.54
Hepburn, Audrey	111-11-1120	Term	2016-12-31	No	662,993.15	662,993.15	No	23.8	27,856.86
Gable, Clark	111-11-1118	Term	2016-12-31	No	1,217,812.59	1,217,812.59	No	19.4	62,773.84
Fonda, Henry	111-11-1117	Active	2016-12-31	No	768,725.70	768,725.70	No	21.2	36,260.65

Close

- Currently available as web page or CSV file
  - Web page can be copied & pasted into Word – landscape orientation works best

# Participant Notice

- ▶ Designed for plan sponsor to give to impacted participants
  - ▶ Generates for anyone required to take a distribution
- ▶ Includes information on current & estimated future distribution amounts
- ▶ Available in Word, PDF, Excel, or customizable format
- ▶ Includes this year's distribution details and estimates of future distributions



# FAQs on RMDs

- ▶ How can I get the software to calculate an RMD for a non-owner who is not terminated?
  - ▶ If there's no RBD, the Edit Data link will not be available – the participant may still take a distribution but it's not an RMD
  - ▶ To override, click on the participant's name on the RMD screen; set the override option to yes, enter the date the participant attained 70.5, the RMD first distribution calendar year and the RMD required beginning date

# FAQs on RMDs

- ▶ I have ending balances added on the transaction menu; why are the RMD amounts not calculating?
  - ▶ RMD amounts are calculated based on all transactions, just like the financial reports & participant statements. If you add a beginning balance batch, then a system generated ending balance batch, and run one of the financial reports, the RMDs should calculate

# FAQs on RMDs

- ▶ Is there a way to run a report showing participants across all plans requiring an RMD?
  - ▶ Yes, designated Admins will see the All Plans option as well as This Plan on the main RMD screen in any plan
    - ▶ Select 'All Plans' rather than 'This Plan' to calculate & run reports on the main RMD screen
  - ▶ Remember that the data scrub AND one of the financial or vesting reports both need to be run for each plan for the report to be accurate

# Running the RMD Report Across all Plans

- ▶ Before running the RMD report across all plans, do the following:
  - ▶ Go to Tools/Settings=>Workflow to see the Workflow grid. This lists all plans on your account with the latest year-end added and you can see whether the scrub has been run
  - ▶ Go to Miscellaneous=>Miscellaneous Reports and select one of the Vesting Export reports for all plans – this calculates vesting
    - ▶ Only designated admins can run global reports

# Reminders for Year-end

Preparation

Suggestions

Tips

# Reminders for Year End

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- ▶ Preparation – before adding 2019, make sure 2018 & all previous years are clean & complete
  - ▶ Data Scrub is run
  - ▶ ADP/ACP tests are run if prior year testing method
  - ▶ Top Heavy test is run
- ▶ If you have account balances to bring forward, add an ending balance batch on the transaction menu in 2018 and post it
- ▶ Run statements or one of the financial or vesting reports
  - ▶ To use loan module or miscellaneous tasks



# Suggestions

- ▶ Use the Workflow grid (Tools/Settings=>Workflow) to see what tasks have been run on your plans
- ▶ Run one of the vesting export reports (Miscellaneous=>Miscellaneous Reports) for all plans
  - ▶ Option to run for all plans is limited to designated admins





# Reminders for Year End

Add Year End

New Year End: 12/31/2019

Specs to copy:

12/31/2018

ftwilliam Plan Document System

If the plan document utilizes text fields or "other" options and plan specs are mapped from document, please review mapping for these items carefully. Click [here](#) for complete list of items that do not map.

Cancel Add Year End

- ▶ Select 'Add New Year End' – next calendar or fiscal year will populate; change using the calendar icon

- Option to copy plan specs from plan document or prior year on compliance - default is the prior year on compliance

# Reminders for Year End

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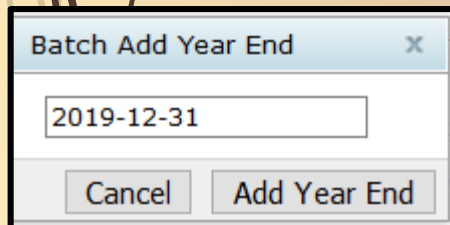
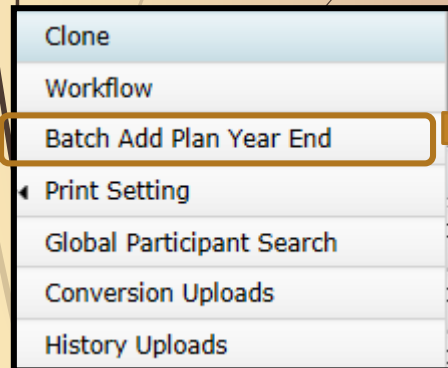
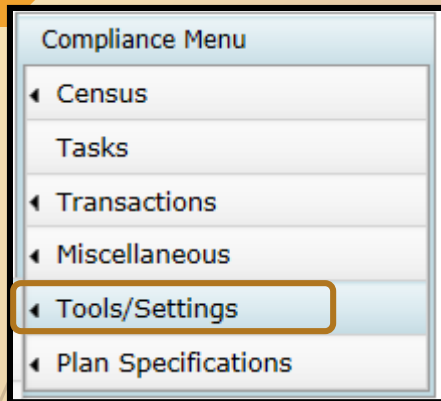
- ▶ If you do opt to copy specifications from the document they do still need review
  - ▶ Some of the more flexible provisions in PPA documents make some mapping difficult
  - ▶ May need to reset accounts & sources/vendor
- ▶ Always add year-ends sequentially
  - ▶ You can't change a year end once added – only option is to delete and re-add
- ▶ **NEVER** add a year that's earlier than a year already added
- ▶ **NEVER** skip years

# Adding plan year ends in batch

- ▶ Feature is available to all users – you don't need to use the [ftwilliam.com](http://ftwilliam.com) portal
- ▶ From the compliance module in any plan, go to Tools/Settings and select 'Batch Add Plan Year End'
- ▶ Brings up a dialogue box to select the year end to add – defaults to the current calendar year

# Adding plan year ends in batch

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- ▶ Choose or enter the year end, you'll see a list of plans to select to the new year end to
- ▶ The list will include all plans whose last year end is the year before the one entered
  - ▶ E.g. if you use 12/31/2019 you'll get a list of all calendar year plans that have a 12/31/2018 year end but not a 12/31/2019 year end

# Adding plan year ends in batch

The screenshot shows a software window titled "Batch Add Year End" with a table of plan data. The table has columns for Company Name, Plan Name 1, Plan Name 2, New Year End, Specs to Bring Forward, Resp, and Admin. A dropdown menu is open over the table, showing options: "Do with selected:", "Bring Forward Info", and "Change columns". The status bar at the bottom indicates "Current View Total: 17 / Number Selected: 0" and includes a link for "Export current view to CSV".

<input type="checkbox"/>	Company Name	Plan Name 1	Plan Name 2	New Year End	Specs to Bring Forward	Resp	Admin
<input type="checkbox"/>	ABC Company Inc	2017 Demo Plan JI		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	ABC Company Inc	2018 Demo Plan JI		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	ABC Company Inc	ABC 401(k) Plan 2		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	ABC Company Inc	ABC Company Inc		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	abc JBH	abc JBH		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	abc JBH	abc JBH ET		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	George B Smith	George B Smith		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	My Company	My Company Cash		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	JN Test Company	Plan Specs Feed T		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	ABC Company Inc	Test 10222018		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	ABC Company Inc	Test Plan for Loan		12/31/2019	12/31/2018	Yes	
<input type="checkbox"/>	Test	Test plan limits		12/31/2019	12/31/2018	Yes	

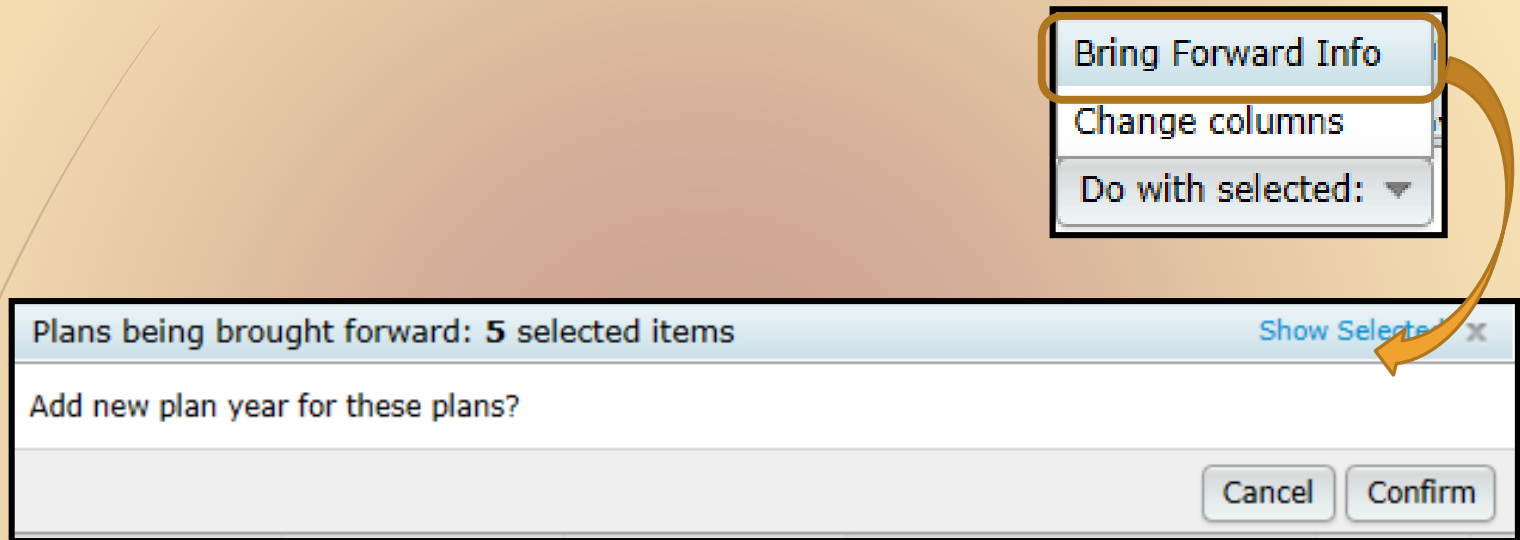
Do with selected: ▾  
Bring Forward Info  
Change columns

Current View Total: 17 / Number Selected: 0 [Export current view to CSV](#)

- Select some or all plans and use 'Do with selected' drop-down

# Adding plan year ends in batch

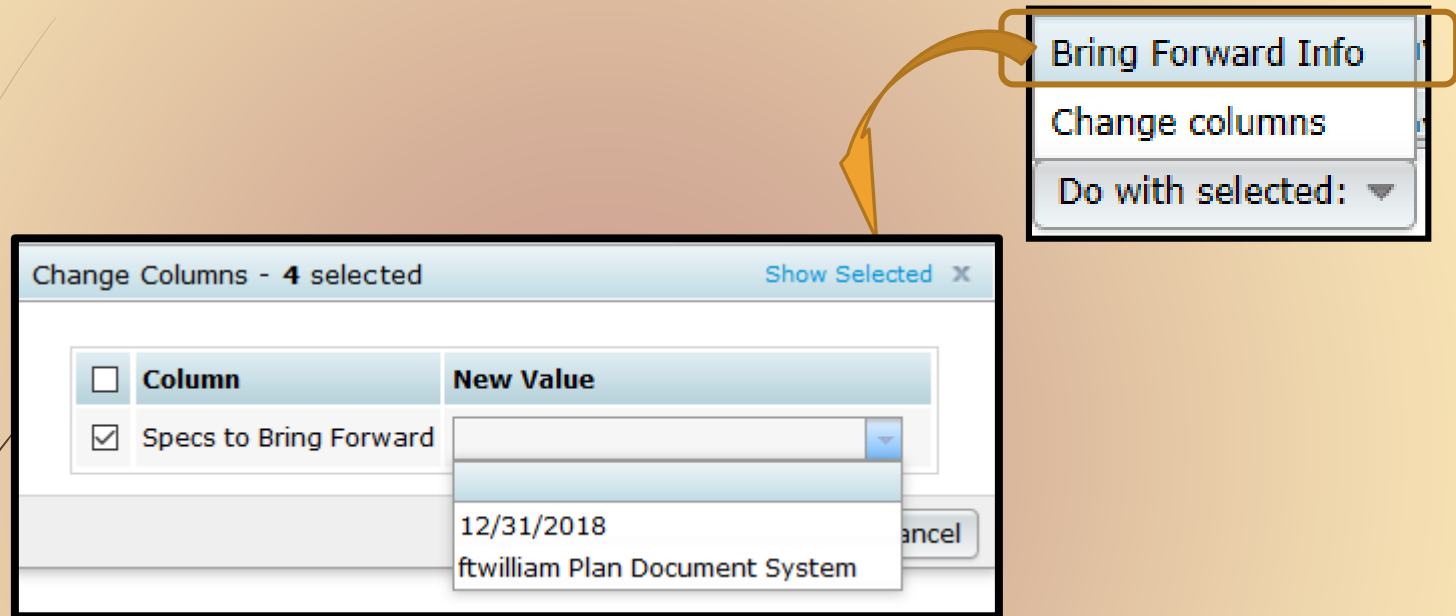
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- To batch add the year-ends, select the plans and click the 'Bring Forward Info' option
  - Confirm the selection
- Specs will copy from the previous year in compliance



# Adding plan year ends in batch



- Option to copy plan specs from plan document
- Can change line by line or select the plans to change and use 'Do with Selected' => 'Change columns' to switch to copying from the document



# Reminders for Year End

- ▶ Download census worksheet to send to client for updates
  - ▶ Click 'Download' and select 'Prior'
  - ▶ Includes all census data except hours, compensation & contributions
  - ▶ Does not show hire & term dates
- ▶ This will include all participants that were on the prior year census
- ▶ Send via ftw portal or other secure method

# Reminders for Year End

Ownership %
Family Group
Family Group Relationship
Officer status
New Comparability Group
Employee Class
Employee Class Other

- ▶ When uploading the census, there's an option for year two & later on the upload screen to copy the fields at left from prior year OR upload with the census
- ▶ The System default is Yes, i.e. copy from prior year **even if there's different data on the census**

# Reminders for Year End

## Retain prior year codes

Selecting "Yes" will copy Ownership %, Family Code, Family relationship, Officer, Cross Test group codes, EE class, and EE class other from prior year census even if these items are on the current year census.

OK

Enter the number of rows containing data - okay to overestimate

## Census Upload

Currently selected census grid: Sample Census (comp and comp after elig) (ID: c5debf8)

With Map: Yes

Retain prior year codes: Yes

Select a file: Browse...

Number of rows to ignore: 5

Number of rows containing data: 1 Data must begin in the first column

Cancel

Upload

# Reminders for Year End

- ▶ Second and subsequent years you should not need to use overrides for eligibility, HCE etc.
- ▶ If using employee number rather than SSN, the EE# must be consistent from year to year
  - ▶ Cannot switch between SSN & EN
  - ▶ Avoid using dummy SSNs if possible, however:
    - ▶ If you think you will get correct SSNs at a later date, it's easier to use dummy SSNs and change them, rather than using employee numbers
    - ▶ Make any necessary corrections to SSN on the Edit Census screen

# Reminders for Year End

- ▶ If uploading employer contributions remember to set overrides on Allocation Parameters screen **before** running the Data Scrub
  - ▶ Contributions will clear when you run the scrub unless the override is set
- ▶ 2019 transactions
  - ▶ Add a beginning balance batch on the transaction menu (select the prior year ending balance option), and post, unless you plan to import this data from the vendor

# Reminders for Year End

- ▶ Sample EOY checklist is available in the Help Center under 'Miscellaneous'
  - ▶ Access the Help Center from the 'Help' link at the top right of any screen in the compliance module
- ▶ Please review the check list and let us know suggestions to improve it

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# Wrap-up

Tips of the month

Announcement

Wrap-up



# Tip of the Month # 1

## ▶ Short Plan Year

- ▶ When adding the year, select the actual year-end – then adjust the plan year begin date in Plan Specifications=>General Features
- ▶ The software will pro-rate the limits - compensation, contributions – based on the length of the year
- ▶ You can override limits in the Scrub/Eligibility section on the Tasks screen

## Tip of the Month #2

- ▶ The new Export/Import tool is designed to create a back-up copy of an active plan; if you subsequently add incorrect data to the plan, e.g. upload the wrong census file, you can restore the plan, using the copy that you saved
- ▶ The only plan that you can import the save copy to is the original plan – the import must match the plan's unique ID
- ▶ Tool is not designed to use for inactive plans, e.g. exporting the plan thinking you have the option to recreate it if needed

# It's Our 10<sup>th</sup> Anniversary!

- ▶ The Compliance module was launched at the ASPPA annual conference in 2009!



# Exciting News

- ▶ ftwilliam.com plans to release a modern, cloud-based Defined Benefit Valuation (DB VAL) software solution in 2020!
  - ▶ Seamless integration across ftwilliam.com modules
  - ▶ Integrated proposal options
  - ▶ Combination plan features: testing, valuation, & proposals
  - ▶ Full traditional DB and Cash Balance valuation calculations
  - ▶ Full testing module, including integrated Defined Benefit and Cash Balance/Defined Contribution testing
  - ▶ Integrated census for Defined Benefit/Defined Contribution and Cash Balance/Defined Contribution combination plans
  - ▶ Streamlined ability to import and edit census on both Defined Benefit/Cash Balance and Defined Contribution plans

# Upcoming Webinars

- ▶ December 4 – joint webinar with John Hancock on downloading their transaction file and uploading it to ftw
- ▶ November 6 - Technical Answer Group (TAG) – Review of FAQ's
  - ▶ Eligible for CE credit

# Wrap-up

- ▶ Next User Group meeting – Tuesday, December 2, 2019
- ▶ Please send any ideas for future agenda items, questions, thoughts or suggestions to [support@ftwilliam.com](mailto:support@ftwilliam.com)
- ▶ Thank you for attending!