FTWILLIAM.COM COMPLIANCE MODULE USER GROUP MEETING

Meeting #68 June 2, 2020

Wolters Kluwer

TODAY'S AGENDA

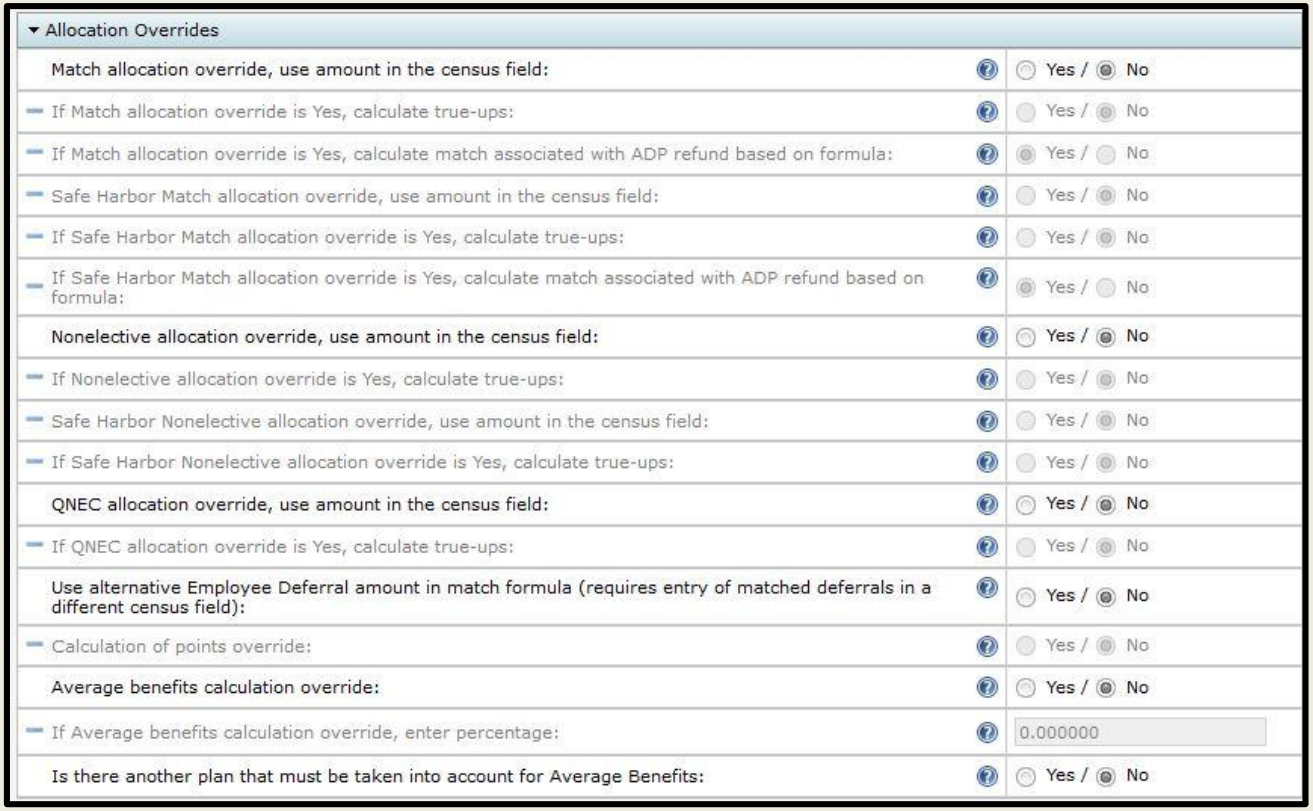
- The Allocation Task
- Enhancements Released Recently
- The User Guide
- Tips of the Month
- Wrap-up

THE ALLOCATION TASK

WHAT THE ALLOCATION DOES

- Calculates or imports employer contributions
- Calculates Top Heavy minimums
- Checks the Deduction Limit
- Calculates earned income for any self-employed participants
- If contributions were uploaded, calculates true-ups, if requested

ALLOCATION PARAMETERS - OVERRIDES

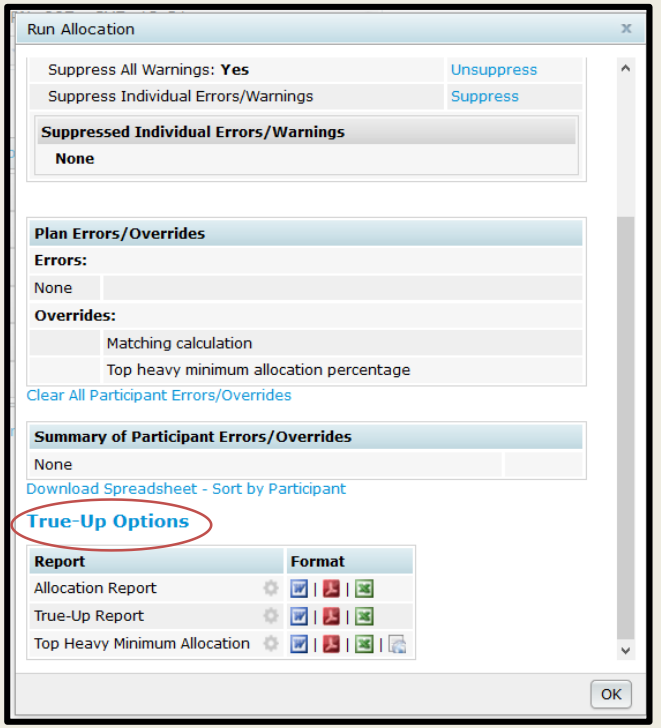


Allocation Overrides	
Match allocation override, use amount in the census field:	Yes / No
If Match allocation override is Yes, calculate true-ups:	Yes / No
If Match allocation override is Yes, calculate match associated with ADP refund based on formula:	Yes / No
Safe Harbor Match allocation override, use amount in the census field:	Yes / No
If Safe Harbor Match allocation override is Yes, calculate true-ups:	Yes / No
If Safe Harbor Match allocation override is Yes, calculate match associated with ADP refund based on formula:	Yes / No
Nonelective allocation override, use amount in the census field:	Yes / No
If Nonelective allocation override is Yes, calculate true-ups:	Yes / No
Safe Harbor Nonelective allocation override, use amount in the census field:	Yes / No
If Safe Harbor Nonelective allocation override is Yes, calculate true-ups:	Yes / No
QNEC allocation override, use amount in the census field:	Yes / No
If QNEC allocation override is Yes, calculate true-ups:	Yes / No
Use alternative Employee Deferral amount in match formula (requires entry of matched deferrals in a different census field):	Yes / No
Calculation of points override:	Yes / No
Average benefits calculation override:	Yes / No
If Average benefits calculation override, enter percentage:	0.000000
Is there another plan that must be taken into account for Average Benefits:	Yes / No

- Override is available for any active employer contribution

ALLOCATION PARAMETERS - OVERRIDES

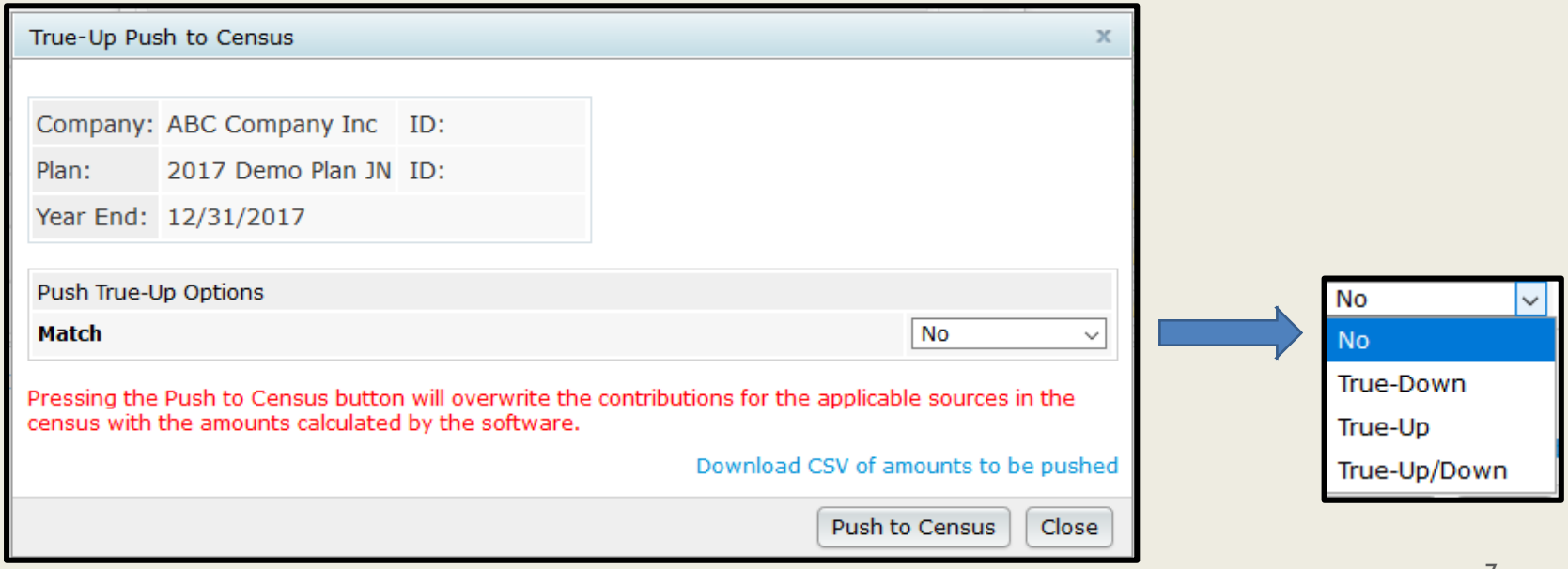
- True-up report is available for any employer contribution that you upload
  - Can be run for information only, no requirement to apply
  - Need to enter the formula
  - If you are doing a true-up/true down, there's an option also available to enter a de minimis amount, below which the contribution would not be adjusted click 'True-up Options' to access



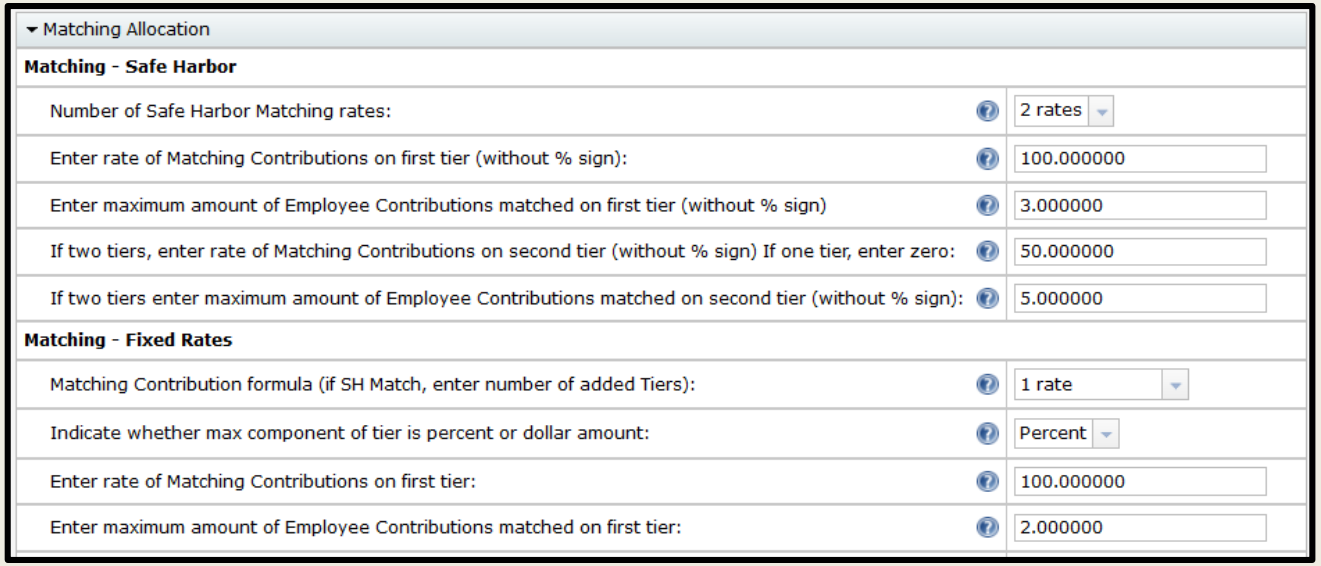
- Additional option for the match source, to calculate associated match from ADP refunds based on the match formula
- Option to 'Use alternative Employee Deferral amount in match formula' - for plans with dual eligibility

TRUE-UP OPTIONS

- True-up Options available for any contributions you are uploading
  - True-up, true down, or both
  - Download a CSV file showing the new amounts & save the file
  - Push the new amounts to the census



MATCHING ALLOCATION SECTION

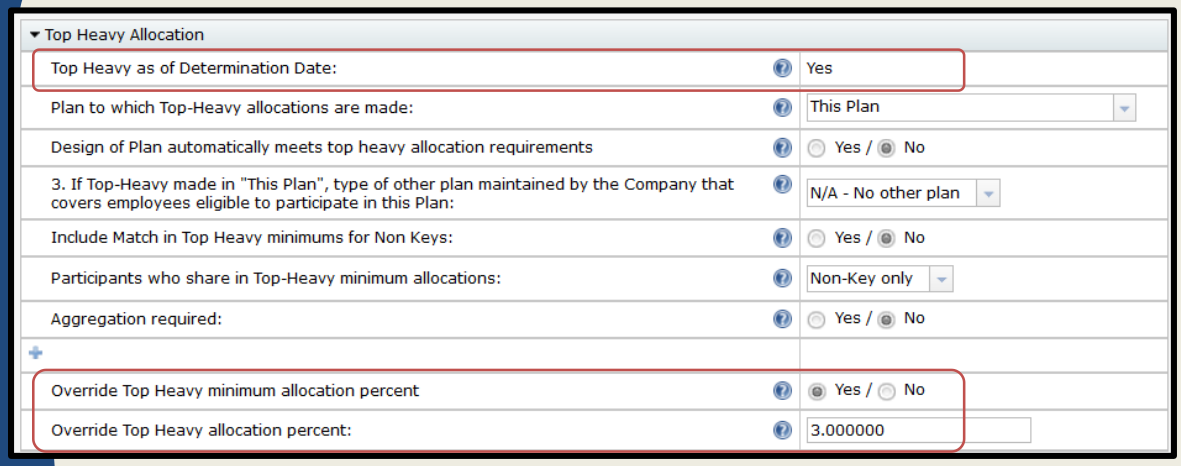


Matching Allocation

Matching - Safe Harbor	
Number of Safe Harbor Matching rates:	2 rates
Enter rate of Matching Contributions on first tier (without % sign):	100.000000
Enter maximum amount of Employee Contributions matched on first tier (without % sign)	3.000000
If two tiers, enter rate of Matching Contributions on second tier (without % sign) If one tier, enter zero:	50.000000
If two tiers enter maximum amount of Employee Contributions matched on second tier (without % sign):	5.000000
Matching - Fixed Rates	
Matching Contribution formula (if SH Match, enter number of added Tiers):	1 rate
Indicate whether max component of tier is percent or dollar amount:	Percent
Enter rate of Matching Contributions on first tier:	100.000000
Enter maximum amount of Employee Contributions matched on first tier:	2.000000

- Be sure to enter the match formula(s)
  - Up to two tiers available for SH match & four for non SH match e.g. the formula above means 100% up to 3% of deferrals, and 50% up to 5%.
  - Maximum percent or dollar amount also an option, unless you are uploading match

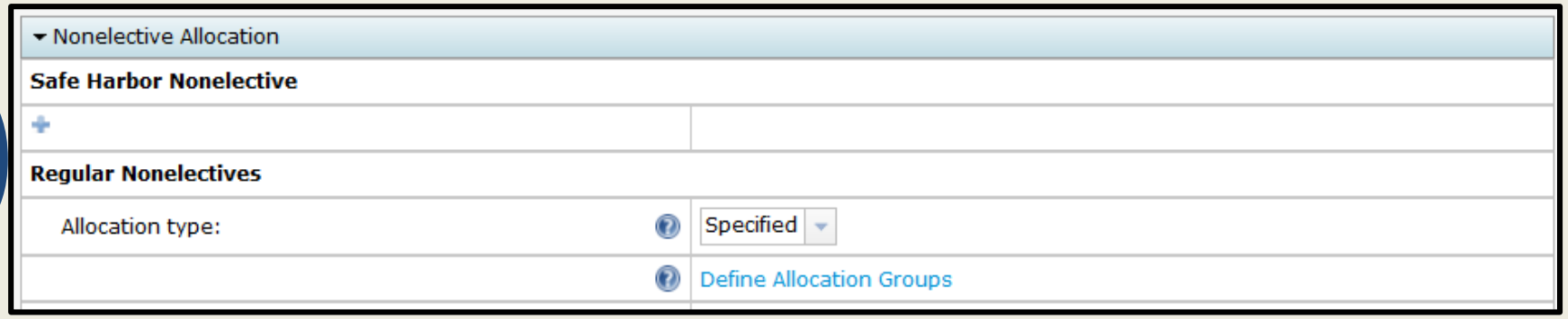
TOP HEAVY ALLOCATION SECTION



- This section will determine whether Top Heavy minimums are calculated when the allocation is run
- Uses key employees as of determination date

- Top Heavy as of Determination Date pulls from the Top Heavy Test section
  - Indicate manually in year one; after that, it feeds from last year's top heavy test
- Design of plan options – see Tip of the Month #1
- Use Override Top Heavy minimum allocation percent when the census includes self-employed participants
  - Allocation can't calculate TH minimums AND earned income
- Other options should be indicated by the user – these do not feed

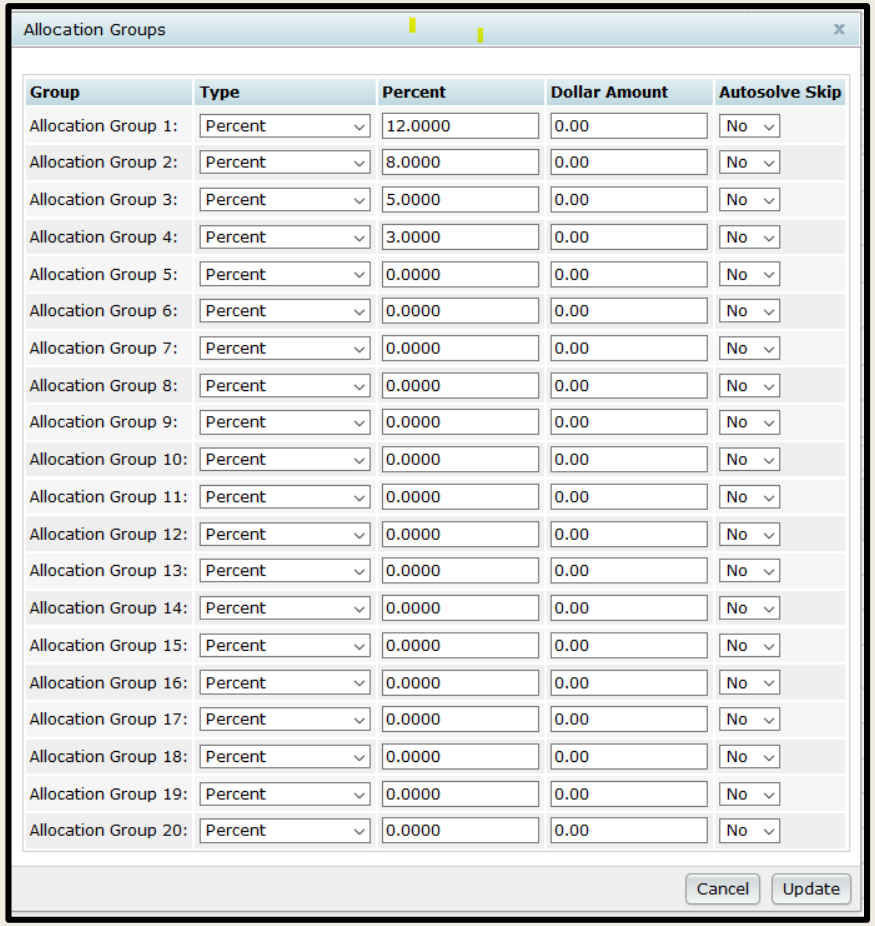
NONELECTIVE ALLOCATION SECTION



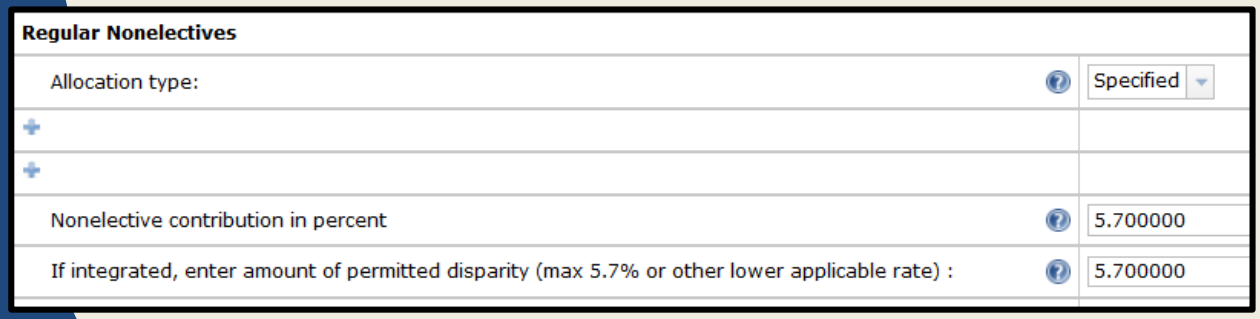
- Regular Nonelective Allocation type can be:
  - Specified (%) - required for New Comparability Profit Sharing (NCPS) allocation
  - Dollar - allocate a total dollar amount
  - Maximize:
    - Select one participant, or all HCEs to maximize
    - Select limit - 415 limit or lower dollar amount
  - Other options open up according to choices made, e.g. integration options

NONELECTIVE ALLOCATION SECTION

- NCPS options – select Percent, Dollar, or the greater of for each group:
  - Be sure to enter percent or dollar amount in the correct field
  - Each participant in the group will receive the percent or dollar amount
- Autosolve Skip is only used when you want to exclude a group from the autosolve, e.g. a group that you only want to get the gateway minimum



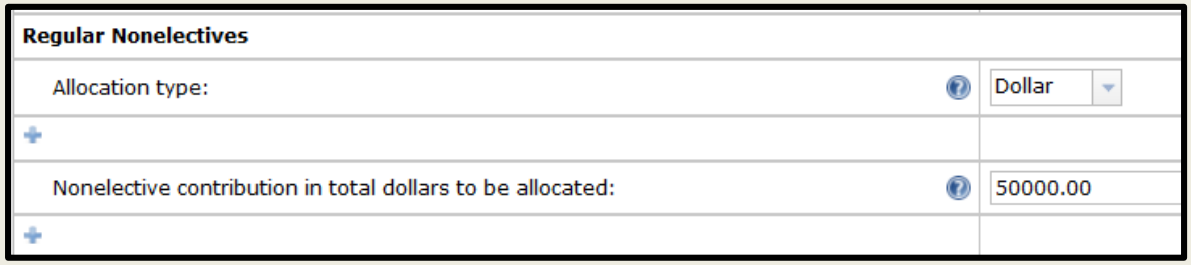
NONELECTIVE ALLOCATION SECTION



Regular Nonelectives	
Allocation type:	Specified
Nonelective contribution in percent	5.700000
If integrated, enter amount of permitted disparity (max 5.7% or other lower applicable rate) :	5.700000

Integrated Formula using Specified

Integrated Formula using Dollar



Regular Nonelectives	
Allocation type:	Dollar
Nonelective contribution in total dollars to be allocated:	50000.00

Maximize Parameters	
Select Group of Participants to maximize:	Participant
Amount to maximize:	415 limit
Participant to maximize	Bennet, Henry

Integrated Formula using Maximize

QNEC ALLOCATION SECTION

- QNEC allocation formula, as well as any participation requirements are in the Contribution section of Plan Specifications
- Who gets a QNEC, i.e. all participants or NHCEs only, is coded in the Eligibility section
- In the Allocation section of the Tasks menu:
  - If you allocate a QNEC to correct a failed ADP test, this section will populate
  - QNEC will continue to be allocated unless you delete the formula

REPORTS AVAILABLE WHEN THE TASK IS RUN

- Allocation Report
  - Provides a breakdown of contributions by source for each participant
  - Also gives compensation and eligibility
- Top Heavy Minimum Allocation Report
  - Separates the nonelective contribution between the allocation and any additional amounts allocated to meet top heavy minimums
  - Generates even if the plan is not top heavy
- Integrated Report
  - If the plan uses an integrated formula, shows base & excess compensation and allocation
- True-up Report(s)
  - Can be requested if any employer contributions were uploaded
  - Shows calculated amounts vs. amounts uploaded
  - Run for information only, or to use the trued up amounts, remove the override and re-run the allocation

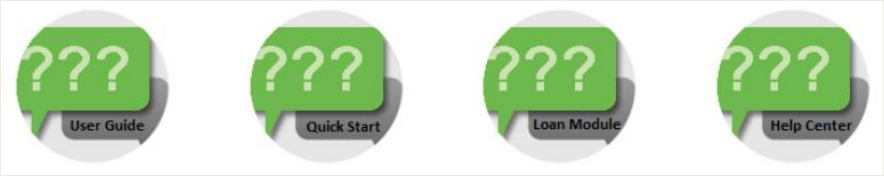
TROUBLESHOOTING THE ALLOCATION

- See the Allocation Task section of the Troubleshooting Guide

RESOURCES TO HELP YOU USING THE SOFTWARE

RESOURCES

- Click the Help link at the top right of any screen in the compliance module to access; you'll see four icons:



  - User Guide - more later
  - Quick Start User Guide - designed for new users; gives an overview of processing a plan
  - Loan Module User Guide
  - Help Center:
    - Where slides & recordings of previous user groups are available, along with articles on all aspects of the software
    - Access is limited to compliance users - requires log-in, generally just one time
    - Contact support if you don't have access
- Troubleshooting handout available in the Help Center

QUICK DEMO OF THE USER GUIDE

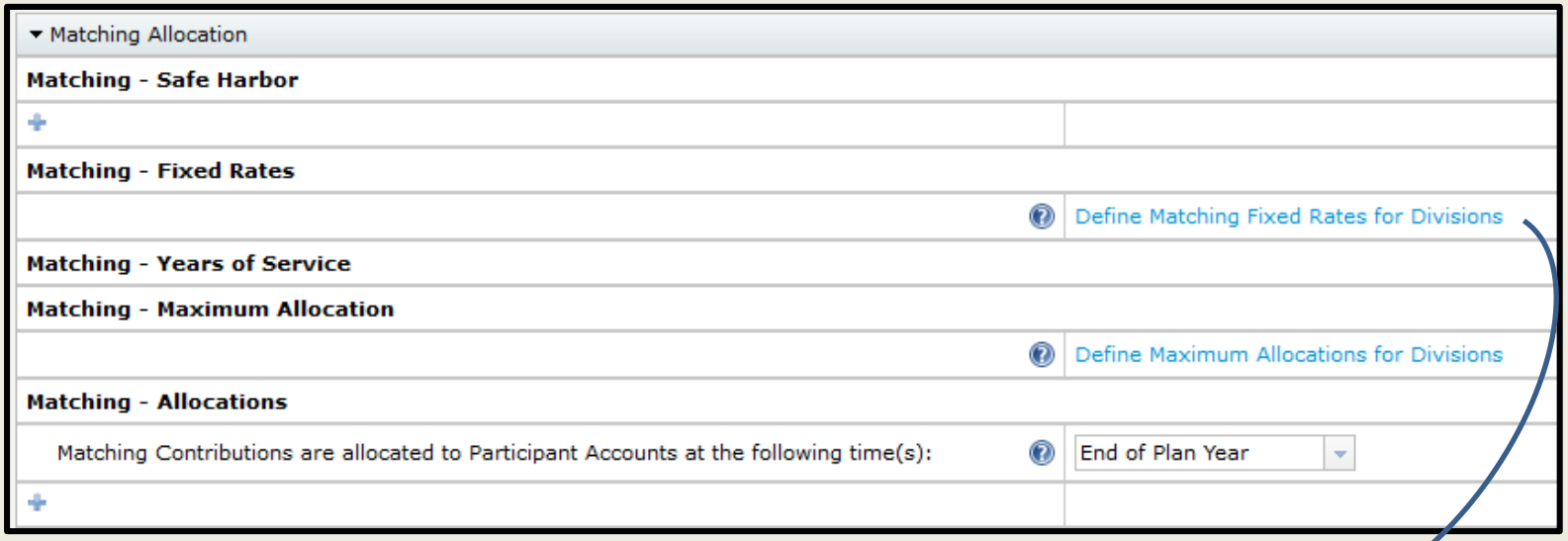
ENHANCEMENTS RECENTLY RELEASED

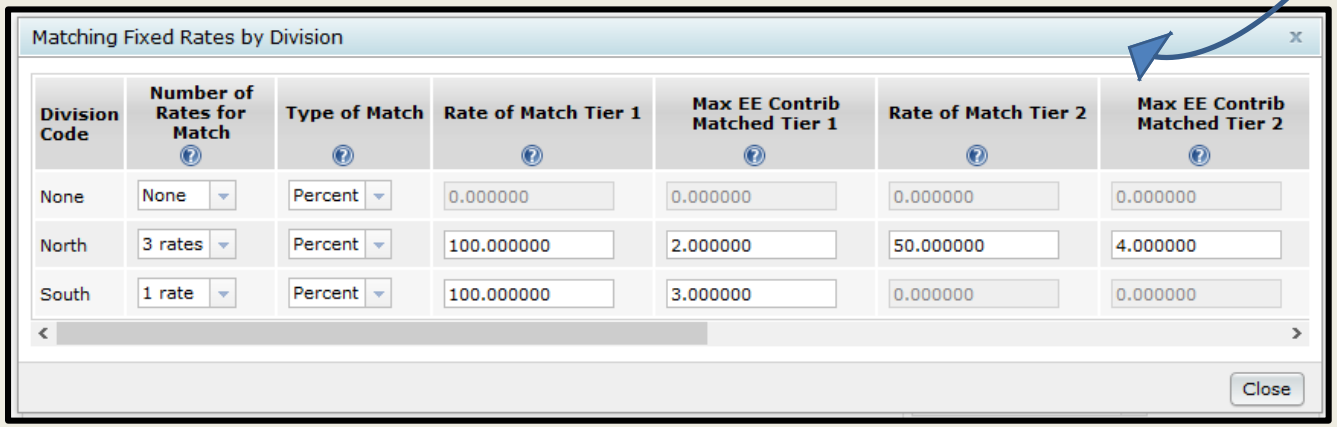
ALLOCATION BY DIVISION

- New option to enter a different formula by division for the following contributions:
  - Match
  - Safe Harbor Match, including QACA
  - Safe Harbor nonelective, including QACA
- Select Yes to indicate that you are using divisions in the Combined Test section of the Tasks menu – it's the first option under Aggregation/Disaggregation
- Add the divisions column (R:DivisionCode) to your primary census, or add the grid * ftw Divisions on the Other Imports/Exports/Reports screen
  - Enter the name of the division for each participant

ALLOCATION BY DIVISION

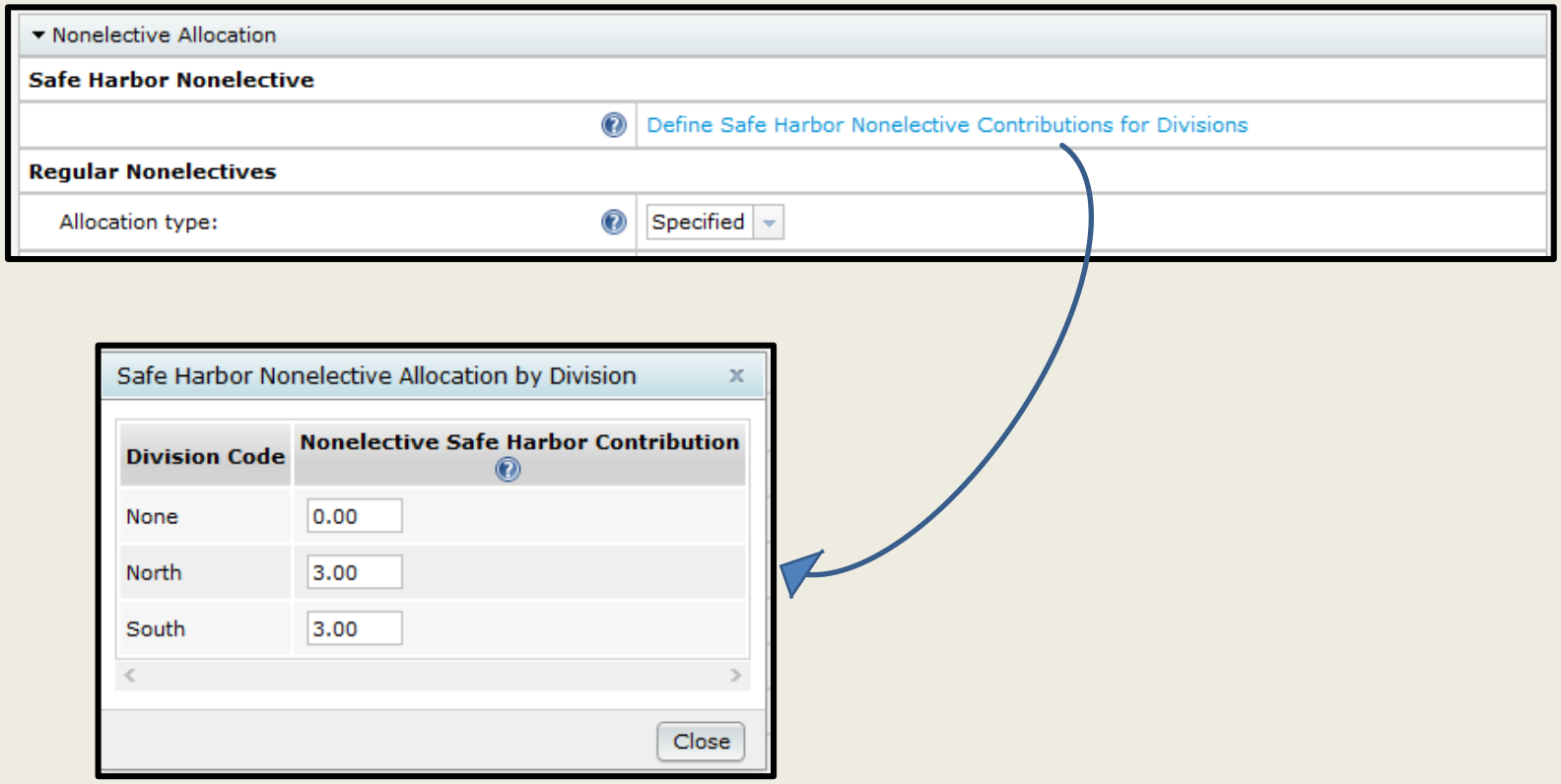
- When the option to use divisions is selected, you'll see a link to enter the formula for each division



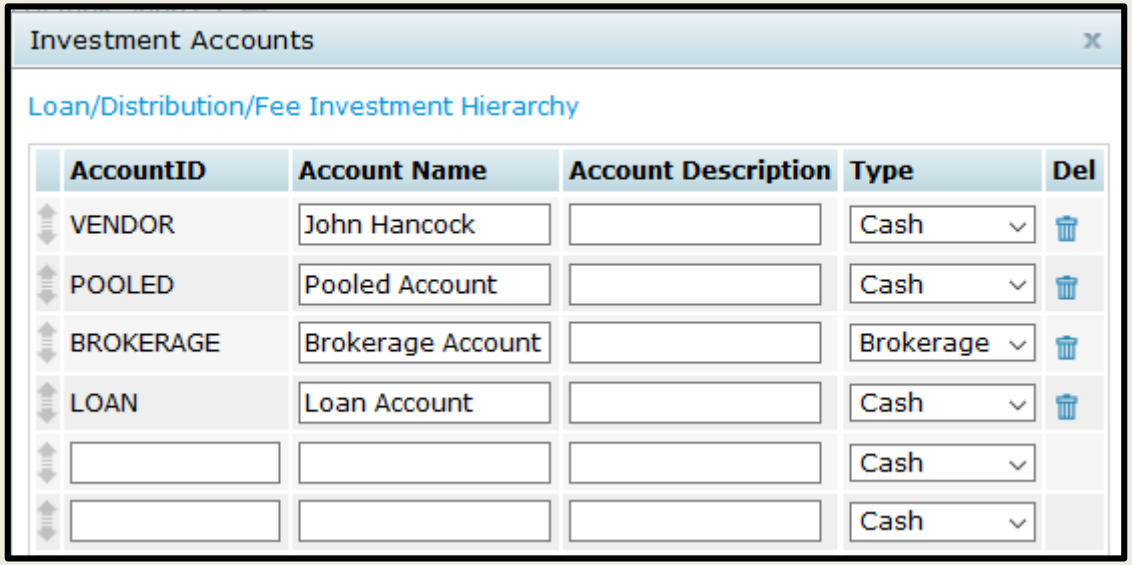


ALLOCATION BY DIVISION

- When the option to use divisions is selected, you'll see a link to enter the formula for each division



ORDER OF INVESTMENT ACCOUNTS ON FINANCIAL REPORTS



- Accounts will be ordered the same on all reports in the Transactions menu
- Note that if you want to change the order, just drag the AccountID to a different position – click the Update button before leaving the screen

TIPS OF THE MONTH & WRAP-UP

TIP OF THE MONTH #1

- Top Heavy Allocation user options
  - Design of Plan automatically meets top heavy allocation requirements
    - Safe Harbor plan with no additional employer contributions and no forfeiture allocation
  - Include Match in Top Heavy minimums for Non Keys
    - Yes provides true top heavy minimum; No generally results in uniform percentage to all
  - Participants who share in Top-heavy minimum allocations
    - Check plan document

TIP OF THE MONTH #2 - EDITING PARTICIPANTS BELOW THE CENSUS GRID

- Editing individually:
  - Click on the participant's name, make any changes, click the Update button
- Editing all, or a larger number of participants
  - Select all participants, or those you want to edit
  - Click the Do with Selected drop-down, and click Edit on the Edit Data for Prior Participant(s) window that pops up
  - Open the Get Prior Participant CSV file, make your changes to the spreadsheet, save it, and upload from the Edit Data window
- Note that any of the above steps will trigger the need to re-run the scrub

WRAP-UP

- Next meeting - Tuesday, July 7
  - Planning to continue our Task series – Combined Test is next
- Please share ideas for future agenda items - submit via chat now, or email to support@ftwilliam.com
- Stay safe and thank you for attending