

**FTWILLIAM.COM
COMPLIANCE
MODULE
USER GROUP
MEETING**

Meeting #68 June 2, 2020



TODAY'S AGENDA

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



THE ALLOCATION TASK

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

WHAT THE ALLOCATION DOES

ALLOCATION PARAMETERS - OVERRIDES

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

Run Allocation

Suppress All Warnings: **Yes** [Unsuppress](#)

Suppress Individual Errors/Warnings [Suppress](#)

Suppressed Individual Errors/Warnings

None

Plan Errors/Overrides

Errors:

None

Overrides:

Matching calculation

Top heavy minimum allocation percentage

[Clear All Participant Errors/Overrides](#)

Summary of Participant Errors/Overrides

None

[Download Spreadsheet - Sort by Participant](#)

True-Up Options

Report	Format
Allocation Report	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
True-Up Report	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Top Heavy Minimum Allocation	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

OK

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

True-Up Push to Census

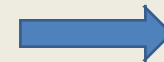
Company:	ABC Company Inc	ID:	
Plan:	2017 Demo Plan JN	ID:	
Year End:	12/31/2017		

Push True-Up Options

Match

Pressing the Push to Census button will overwrite the contributions for the applicable sources in the census with the amounts calculated by the software.

[Download CSV of amounts to be pushed](#)



- No
- No
- True-Down
- True-Up
- True-Up/Down

MATCHING ALLOCATION SECTION

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

Top Heavy Allocation	
Top Heavy as of Determination Date:	<input checked="" type="radio"/> Yes
Plan to which Top-Heavy allocations are made:	<input type="text" value="This Plan"/>
Design of Plan automatically meets top heavy allocation requirements	<input type="radio"/> Yes / <input checked="" type="radio"/> No
3. If Top-Heavy made in "This Plan", type of other plan maintained by the Company that covers employees eligible to participate in this Plan:	<input type="text" value="N/A - No other plan"/>
Include Match in Top Heavy minimums for Non Keys:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Participants who share in Top-Heavy minimum allocations:	<input type="text" value="Non-Key only"/>
Aggregation required:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
+	
Override Top Heavy minimum allocation percent	<input checked="" type="radio"/> Yes / <input type="radio"/> No
Override Top Heavy allocation percent:	<input type="text" value="3.000000"/>

- 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

▼ Nonelective Allocation	
Safe Harbor Nonelective	
+	
Regular Nonelectives	
Allocation type:	? Specified ▼
	? Define Allocation Groups

- 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

The screenshot shows a window titled "Allocation Groups" with a table of 20 rows. Each row represents an allocation group with the following columns: Group, Type, Percent, Dollar Amount, and Autosolve Skip. The "Type" column contains a dropdown menu with "Percent" selected. The "Percent" column contains numerical values ranging from 12.0000 to 0.0000. The "Dollar Amount" column contains the value 0.00. The "Autosolve Skip" column contains a dropdown menu with "No" selected. At the bottom right of the window, there are "Cancel" and "Update" buttons.






Group	Type	Percent	Dollar Amount	Autosolve Skip
Allocation Group 1:	Percent	12.0000	0.00	No
Allocation Group 2:	Percent	8.0000	0.00	No
Allocation Group 3:	Percent	5.0000	0.00	No
Allocation Group 4:	Percent	3.0000	0.00	No
Allocation Group 5:	Percent	0.0000	0.00	No
Allocation Group 6:	Percent	0.0000	0.00	No
Allocation Group 7:	Percent	0.0000	0.00	No
Allocation Group 8:	Percent	0.0000	0.00	No
Allocation Group 9:	Percent	0.0000	0.00	No
Allocation Group 10:	Percent	0.0000	0.00	No
Allocation Group 11:	Percent	0.0000	0.00	No
Allocation Group 12:	Percent	0.0000	0.00	No
Allocation Group 13:	Percent	0.0000	0.00	No
Allocation Group 14:	Percent	0.0000	0.00	No
Allocation Group 15:	Percent	0.0000	0.00	No
Allocation Group 16:	Percent	0.0000	0.00	No
Allocation Group 17:	Percent	0.0000	0.00	No
Allocation Group 18:	Percent	0.0000	0.00	No
Allocation Group 19:	Percent	0.0000	0.00	No
Allocation Group 20:	Percent	0.0000	0.00	No

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
	

Integrated Formula
using Maximize

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

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

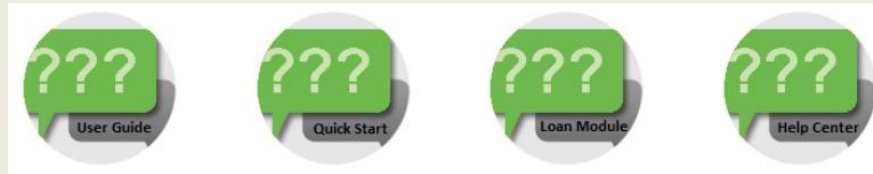
TROUBLESHOOTING THE ALLOCATION

- 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

▼ Matching Allocation

Matching - Safe Harbor

+

Matching - Fixed Rates

[Define Matching Fixed Rates for Divisions](#)

Matching - Years of Service

Matching - Maximum Allocation

[Define Maximum Allocations for Divisions](#)

Matching - Allocations

Matching Contributions are allocated to Participant Accounts at the following time(s): [End of Plan Year](#) ▼

+

Matching Fixed Rates by Division

Division Code	Number of Rates for Match	Type of Match	Rate of Match Tier 1	Max EE Contrib Matched Tier 1	Rate of Match Tier 2	Max EE Contrib Matched Tier 2
None	None ▼	Percent ▼	0.000000	0.000000	0.000000	0.000000
North	3 rates ▼	Percent ▼	100.000000	2.000000	50.000000	4.000000
South	1 rate ▼	Percent ▼	100.000000	3.000000	0.000000	0.000000

Close

ALLOCATION BY DIVISION

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

▼ Nonelective Allocation

Safe Harbor Nonelective

[Define Safe Harbor Nonelective Contributions for Divisions](#)

Regular Nonelectives

Allocation type:

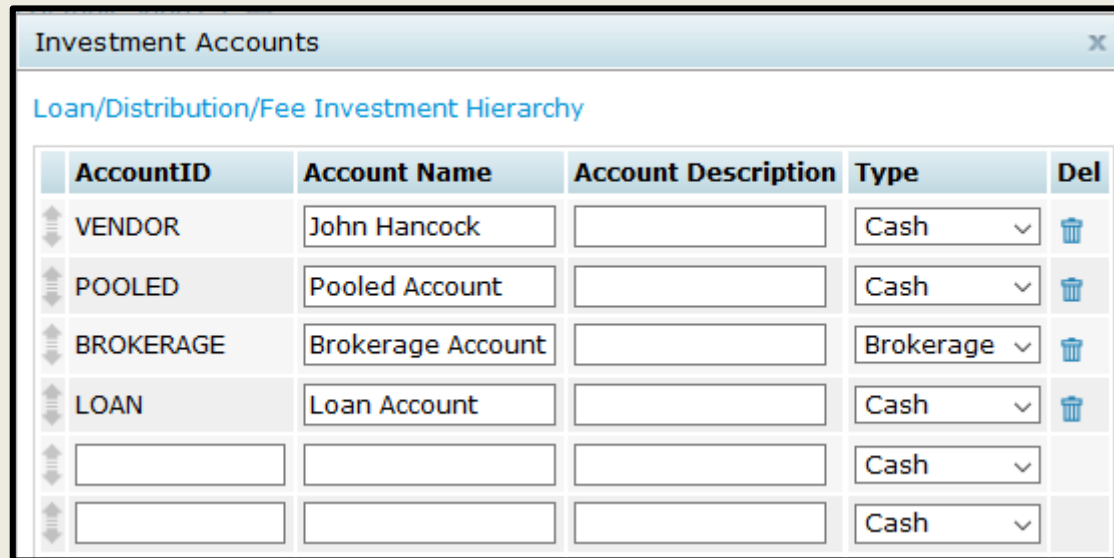
Safe Harbor Nonelective Allocation by Division x

Division Code	Nonelective Safe Harbor Contribution ?
None	<input type="text" value="0.00"/>
North	<input type="text" value="3.00"/>
South	<input type="text" value="3.00"/>

< >

Close

ORDER OF INVESTMENT ACCOUNTS ON FINANCIAL REPORTS



The screenshot shows a window titled "Investment Accounts" with a close button (X) in the top right corner. Below the title bar, there is a subtitle "Loan/Distribution/Fee Investment Hierarchy". The main content is a table with the following columns: AccountID, Account Name, Account Description, Type, and Del. The table contains five rows of data, each with a drag handle icon on the left and a delete icon on the right.

AccountID	Account Name	Account Description	Type	Del
VENDOR	John Hancock		Cash	
POOLED	Pooled Account		Cash	
BROKERAGE	Brokerage Account		Brokerage	
LOAN	Loan Account		Cash	
			Cash	
			Cash	

- ▶ 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

Design of Plan automatically meets top heavy allocation requirements	<input checked="" type="radio"/> Yes / <input type="radio"/> No
3. If Top-Heavy made in "This Plan", type of other plan maintained by the Company that covers employees eligible to participate in this Plan:	<input checked="" type="radio"/> N/A - No other plan
Include Match in Top Heavy minimums for Non Keys:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Participants who share in Top-Heavy minimum allocations:	<input checked="" type="radio"/> Non-Key only

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