ftwilliam.com Compliance Module Refresher

February 2, 2017

Wolters Kluwer
Law & Business

Conference Line

- PLEASE CALL THIS NUMBER
  - 1-888-619-1583
- Attendee Passcode: 634609
- You will be asked for your first and last name and your email address.
- You will be on hold until the presentation begins

Agenda

- Plan set-up, sources & investment accounts
- Working with the primary grids
- Supplemental grids – the Other Imports/Exports/Reports screen
- Running the data scrub; eligibility,
- Allocations & testing
- Transactions
- Miscellaneous Menu and Tools & Settings

Jane Nickalls

Plan set-up, sources & investment accounts

Working with the primary grids

Supplemental grids – the Other Imports/Exports/Reports screen

Running the data scrub

A Word to the Wise!

- Most issues occur with the following areas:
  - Plan specifications
  - Census data
  - Eligibility
- We'll be spending a lot of time today discussing these

Plan Specifications

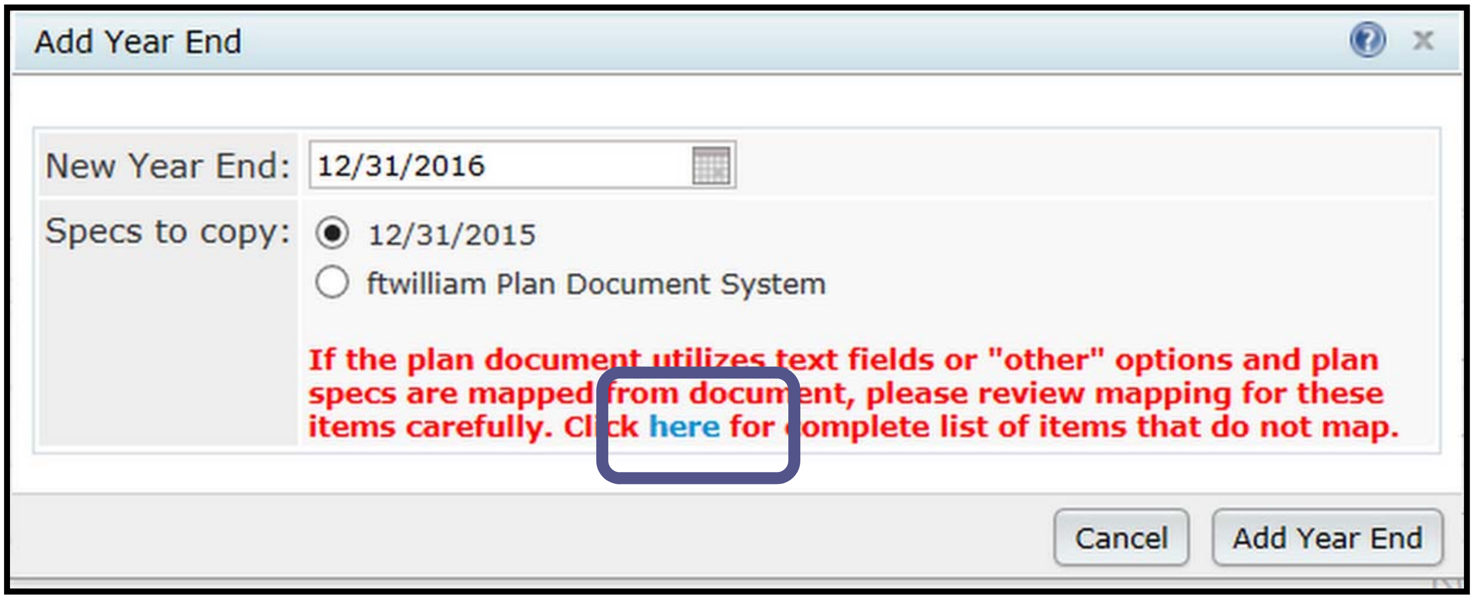
- When you add the first plan year end, plan specifications will copy from the ftwilliam plan document software
  - One-time feed – changes made to the document during the year do not feed
- When you add subsequent year-ends, you have a choice to copy specifications from the document, or the prior year on Compliance
  - Default is the prior year on compliance

PPA Documents

- PPA documents offer more flexibility than EGTRRA
  - Some options are too flexible to map - text and ‘Other’ fields
- You can still copy specs for the new year from the last year in compliance
- We maintain a public list of the features not mapping and update it as the mapping becomes available

PPA Documents

- List is on the pop-up window when you add a new plan year-end to a plan on a PPA document



Plan Specifications

- Setting up accounts & sources - **ALWAYS** do before adding transactions!!!
  - Add asset custodian & ID code as applicable
  - Confirm source set-up – may need to click ‘Add Default Sources’ link
    - Avoid adding sources manually
    - Software now prevents users from adding source codes that are ftw system codes
  - Suppress any unused sources – don’t delete
  - Add investment accounts if using and add to all non-suppressed sources

Work with Sources

Compliance Plan Specifications - Expand All Applicable / Expand All / Collapse All

Sources & Investment Accounts

Sources/Accounts

Financial data import vendor: None

Export Vendor List by Plan

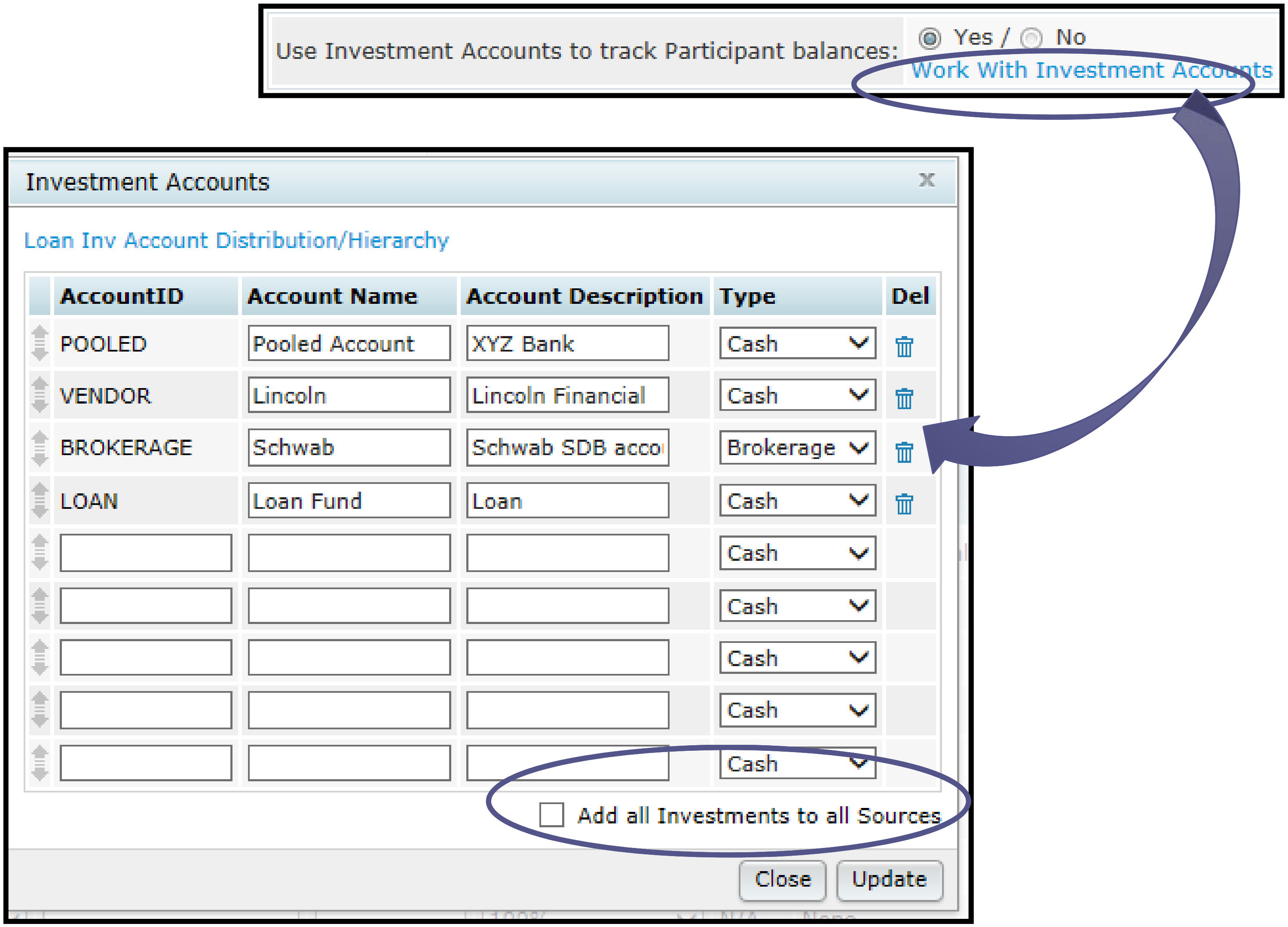
Work with Sources/Inv Accounts

	SourceID	Suppress	Top Heavy	Source Name	Source External ID	Vesting	Vest Other	Contribution Source	Earnings Alloc Meth	Curr Yr Factor
	401K	No	Yes	Elective Deferral		100%	N/A	ElectiveDeferral	Bal Forward - Trad	100.00
	ROTH	No	Yes	Roth Deferral		100%	N/A	Roth	Bal Forward - Trad	100.00
	MATCH	No	Yes	Matching Contribution		2-6 Year Graded	N/A	Matching	Bal Forward - Trad	100.00
	QMAC	Yes	Yes	QMAC		100%	N/A	QMAC	Bal Forward - Trad	100.00
	QNEC	Yes	Yes	QNEC		100%	N/A	QNEC	Bal Forward - Trad	100.00
	PS	No	Yes	Profit Sharing		2-6 Year Graded	N/A	NonElective	Bal Forward - Trad	100.00
		No	Yes			100%	N/A	None	Bal Forward - Trad	
		No	Yes			100%	N/A	None	Bal Forward - Trad	
		No	Yes			100%	N/A	None	Bal Forward - Trad	
		No	Yes			100%	N/A	None	Bal Forward - Trad	
		No	Yes			100%	N/A	None	Bal Forward - Trad	

When to Add Investment Accounts

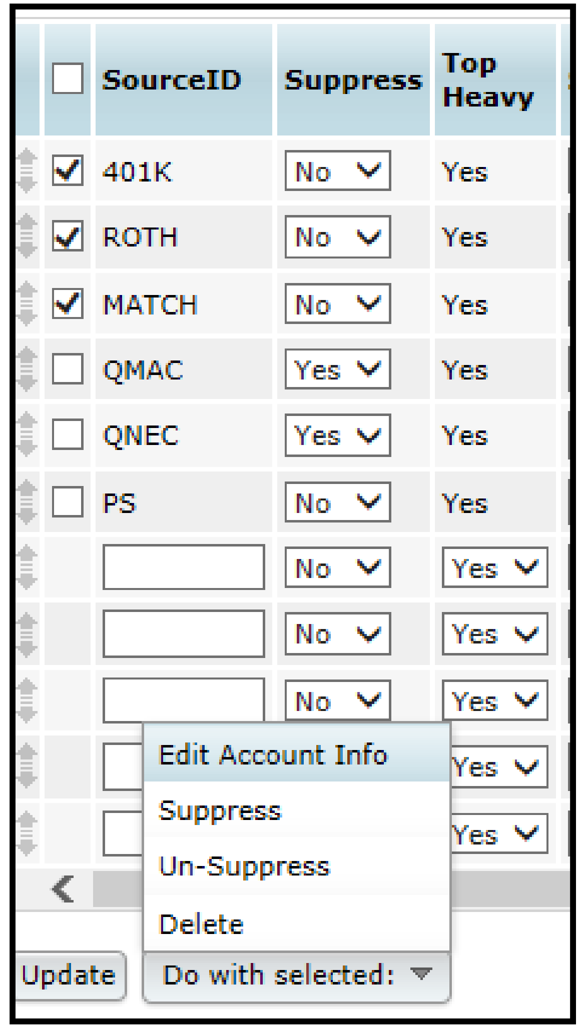
- Use Investment Accounts to track Participant balances?
  - YES If any of the following are applicable:
    - Assets in more than one place
    - Need to allocate earnings
    - Participants have individual brokerage accounts
    - You are tracking loans
  - NO If all the assets are with an asset custodian and you only need to track by source

Setting up Accounts



Add Investment Accounts to Sources

- Option to add all accounts to all sources is on the account setup screen
- Or from source setup screen use the check box to select sources and click ‘Do with selected’
    - Choose ‘Edit Account Information’



Plan Specifications

- Review other plan specifications
  - Option to compare specs in Compliance with the document – from Compliance Menu=>Plan Specs
  - Make sure all date fields are correctly populated in the General Features section
  - New option added in 2016 for plans with last day rule – ‘Include Last Day’
    - If selected those who terminate on the last day will receive a contribution
    - Not in the document, so TPA needs to select in Compliance

Census Grids

- A new set of grids known as ‘System Grids’ was added in 2014
  - System grid names begin with * ftw; cannot be edited or deleted
- Two more grids were added to the list in 2016
  - * ftw Davis Bacon – used to enter Davis Bacon Eligibility and Contributions (Nonelective & QNEC)
  - * ftw Primary 5 Census Cash Balance – primary census grid for cash balance plans
- All users have access to the system grids

System Grids

Name	Grid ID	Used to
* ftw Beneficiary Fields	3d2a0cf	Enter and review beneficiary fields
* ftw Catchup and Excess Report	51e5089	Review catchup data and excess contributions
* ftw Catchup and Excess Report Fiscal	675e6b9	Review catchup data and excess contributions for fiscal year plan
* ftw Contribution Upload	d043c55	Upload contributions
* ftw Davis Bacon	e570899	Enter Davis Bacon eligibility and contributions
* ftw DER Conversion	b1c01ec	Convert data from Relius, the first plan year plan is loaded on ftw system
* ftw DER Conversion 2015	a1a197c	Convert data from Relius, the first plan year plan is loaded on ftw system 2015 and later
* ftw Exclude by Class	c680e59	Enter employee class codes
* ftw First Year Supplemental Census Grid	a79ad3f	Enter supplemental data for the first plan year that the plan is loaded on ftwilliam.com – takeover plans
* ftw General Test Acct Bal	8e0269a	Enter general test account balances for testing. See General Test Parameters – select 'Account Balances' for 'Testing Period' option
* ftw Override HCE Key	51e8e47	Override HCE and Key data
* ftw Override Initial Eligibility	58a0e0d	Override initial eligibility and entry dates – need to set override on Scrub Parameters screen
* ftw Primary 1 Census (comp and comp after elig)	c1eb549	Enter census data for 401(k) plans using entry date compensation
* ftw Primary 2 Census Statutory Comp	f0e744e	Enter census data for 401(k) plans using full year compensation
* ftw Primary 3 Census Fiscal Plan Year	efb0e0a	Enter census data for non calendar year 401(k) plans
* ftw Primary 4 Census exclude certain comp (414s comp test)	d915e5d	Enter census data for 401(k) plans/using a non 414(s) compensation definition
* ftw Primary 5 Census Cash Balance	11eb264	Primary census grid for cash balance plans - in beta testing
* ftw Roth and Roth Rollover	91b0efa	Enter Roth data and Roth rollover contributions.
* ftw Self Employment Calculations	d6982aa	View self-employed calculations
* ftw Top Heavy Allocations	de7a272	View top heavy allocation calculations

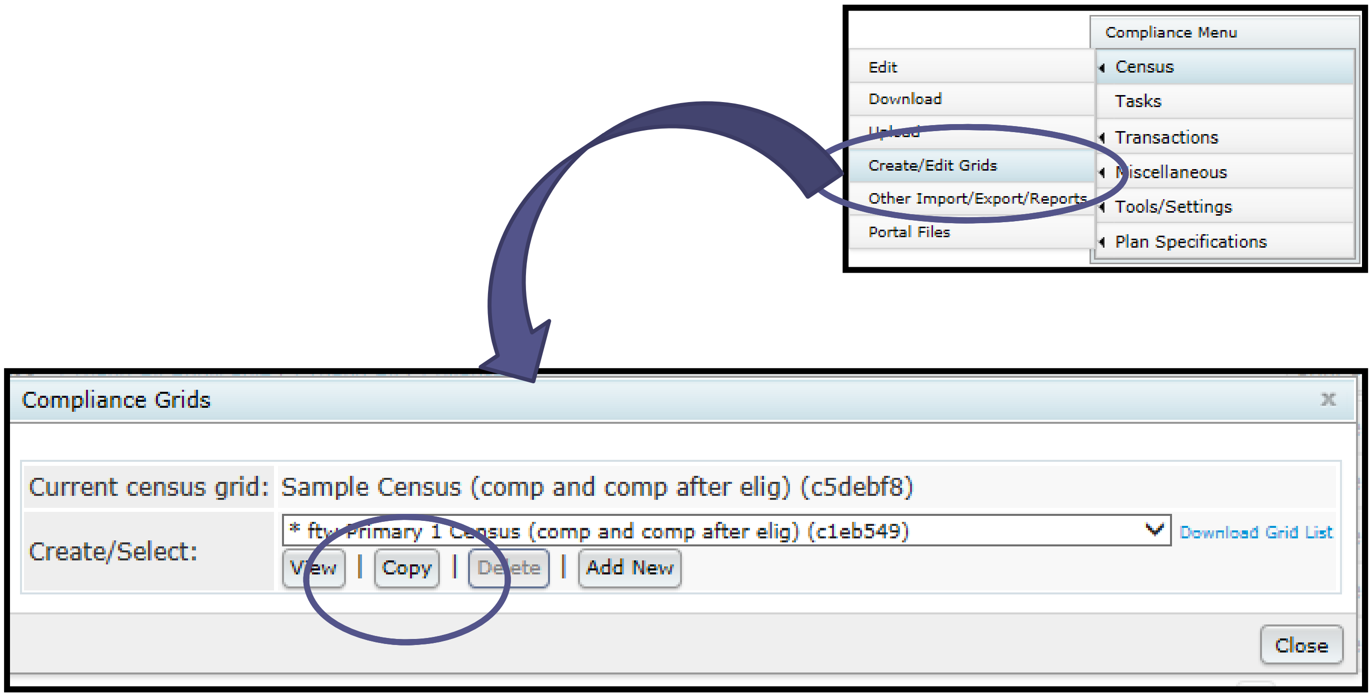
Choosing a Primary Census Grid

- Start with one of the ‘system’ primary grids
  - Contain most data needed for annual processing
  - Mapping is pre-set
- To customize a system grid first copy it, then rename
  - Maintains system grids
  - Avoids confusion with other associates’ grids

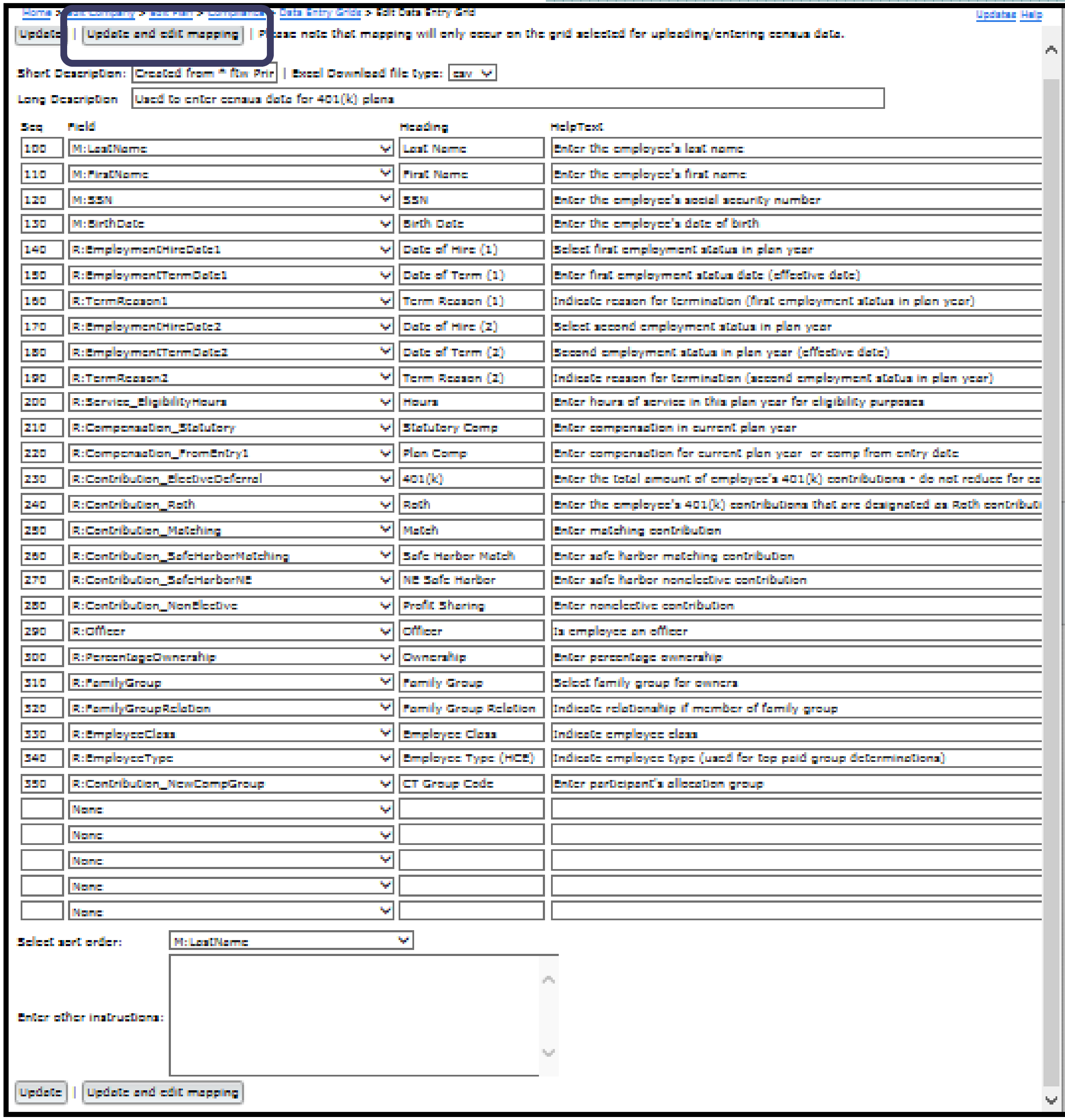
Primary Census System Grids

Grid Name	When to use
* ftw Primary 1 Census (comp and comp after elig)	Plan that uses entry-date comp for plan calculations
* ftw Primary 2 Census Statutory Comp	Plan that uses statutory comp for all plan calculations
* ftw Primary 3 Census Fiscal Plan Year	Non-calendar year plan
* ftw Primary 4 Census exclude certain comp (414s comp test)	Plan that uses a non-Safe Harbor definition of comp and needs 414(s) testing
* ftw Primary 5 Census Cash Balance	Cash Balance plan

Copying a Primary Grid



Edit Grid Screen


Home > ... > 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: Created from * ftw Prir | Excel Download file type: csv

Long Description: Used to enter census data for 401(k) plans

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:BirthDate	Birth Date	Enter the employee's date of birth
140	R:EmploymentHireDate1	Date of Hire (1)	Select first employment status in plan year
150	R:EmploymentTermDate1	Date of Term (1)	Enter first employment status date (effective date)
160	R:TermReason1	Term Reason (1)	Indicate reason for termination (first employment status in plan year)
170	R:EmploymentHireDate2	Date of Hire (2)	Select second employment status in plan year
180	R:EmploymentTermDate2	Date of Term (2)	Second employment status in plan year (effective date)
190	R:TermReason2	Term Reason (2)	Indicate reason for termination (second employment status in plan year)
200	R:Service_EligibilityHours	Hours	Enter hours of service in this plan year for eligibility purposes
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:Contribution_ElectiveDeferral	401(k)	Enter the total amount of employee's 401(k) contributions - do not reduce for ca
240	R:Contribution_Roth	Roth	Enter the employee's 401(k) contributions that are designated as Roth contributi
250	R:Contribution_Matching	Match	Enter matching contribution
260	R:Contribution_SafeHarborMatching	Safe Harbor Match	Enter safe harbor matching contribution
270	R:Contribution_SafeHarborNE	NE Safe Harbor	Enter safe harbor nonelective contribution
280	R:Contribution_NonElective	Profit Sharing	Enter nonelective contribution
290	R:Officer	Officer	Is employee an officer
300	R:PercentageOwnership	Ownership	Enter percentage ownership
310	R:FamilyGroup	Family Group	Select family group for owners
320	R:FamilyGroupRelation	Family Group Relation	Indicate relationship if member of family group
330	R:EmployeeClass	Employee Class	Indicate employee class
340	R:EmployeeType	Employee Type (HCE)	Indicate employee type (used for top paid group determinations)
350	R:Contribution_NewCompGroup	CT Group Code	Enter participant's allocation group
	None		
	None		
	None		
	None		
	None		

Select sort order: M:LastName

Enter other instructions:

Update | Update and edit mapping

Mapping Example

- On the Edit Grid screen click ‘Update & Edit Mapping
- On the View Grid screen click ‘View Mapping’

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

System Field	Grid Field
------------------------------	------------------------------
Service_EligibilityHours	On data entry grid
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
Compensation_Statutory_FromEntry	Compensation_Statutory
Compensation_Statutory_PriorYear	None
Compensation_Statutory_CalYr	Compensation_Statutory
Compensation_ExclDeferrals	Compensation_FromEntry1
Compensation_Deduction	Compensation_Statutory

Tips on Grids

- System grids cannot be edited or deleted
  - Copies of system grids can
- Heading & Help Text fields in the system grids are more descriptive
  - These fields are editable - use the Edit Grid screen to change
- Cleaning up grids makes for easier grid management
  - Label custom grids using short & long descriptions
  - Delete empty grids

Options for Portal Customers

- From Compliance menu select Census=>Portal Files
  - Census Worksheet & Annual Questionnaire files can be exchanged with client
  - Online Annual Questionnaire can be edited & published

Edit
Download
Upload
Create/Edit Grids
Other Import/Export/Reports
Portal Files

File Type	To Portal User	From Portal User	Final	Batch
Census Worksheet	| Load Prior | Load Current			
Annual Questionnaire				
Online Annual Questionnaire	Edit / Publish			

Edit Portal Users

Portal

Census Worksheet Options

- To Portal User – TPA can post census worksheet for client to access
  - Load Prior option adds last year's census file without hours, comp etc.
  - Load Current adds current census – generally will be a blank spreadsheet
  - Manual option allows TPS to upload a custom file
- Client can download & upload or edit on the portal
  - Depends how permissions are set

Census Worksheet Options

- From Portal User – TPA can access updated worksheet
  - Option to 'Make Final' and upload in a single click
- Batch options also available – need 'Specify a Server' email setting

Questionnaire Options

- Manually upload your own questionnaire to portal
- Use Online Annual Questionnaire (OAQ)
  - Edit plan by plan or customize a default questionnaire
  - Re-order questions, import new questions, determine range of answers
  - Add ‘Plan questions’ – populate from plan checklist
  - Publish to portal for client to access and fill out

Loading Census Data

- The data you load on your primary census grid allows the software to calculate eligibility and determine HCEs & Keys
- To add data, upload via worksheet – preferred method
  - From the Compliance Menu select Census=>Download
  - Select ‘Current’ the first year in ftwilliam
  - Select ‘Prior’ otherwise
  - Open the worksheet

Loading Census Data

- Edit the worksheet to add the data
  - Do not change the rows at the top of the worksheet – grid ID must be in cell A3
- To upload, from the Compliance Menu select Census=>Upload
- Choices on the upload screen are different for first year in ftwilliam vs subsequent years

First Year in the System

- The first year on ftwilliam, the software will assume that prior year data was the same as the current year

Data Entry Grid (Census Grid) - ftw Primary 1 Census (comp and comp after elig)

Plan: **JN 2014 Training Plan** | Year End: **2014-12-31** Change Year End

Refresh the Grid | **Active/Inactive Participants not on current census: None** | Show Actives Only

Bacall, Lauren | Select Participant | Delete Participant

Add Participant | SSN: | Last Name: | First Name:

	Last Name	First Name	..	Date of Ter...	Term Reason (1)	Date of Hire...	Date of Ter...	Term Reason (2)	Hours	Statutory Comp
	Help	Help		Help	Help	Help	Help	Help	Help	Help
1	Bacall	Lauren							2,080	106,000.00
2	Ball	Lucy							2,080	65,000.00
3	Bogart	Humphrey							2,080	104,000.00
4	Burton	Richard							2,080	55,000.00
5	Davis	Bette							2,080	35,000.00
6	De Havilland	Olivia							2,080	109,000.00
7	Fonda	Henry							2,080	175,000.00
8	Gable	Clark							2,080	245,000.00
9	Grant	Cary		05/17/2014	Termination				801	[illegible]45,000.00
10	Hepburn	Audrey							2,080	150,001.00
11	Hepburn	Katharine							2,080	145,000.00
12	Kelly	Grace		10/10/2013	Termination				0	0.00
13	Leigh	Vivien							2,080	300,000.00
14	Monroe	Marilyn							2,080	25,000.00
15	Presley	Elvis							2,080	37,000.00

Adding Historical Data for Plan Calculations

- You can add historical data using a supplemental grid – we suggest:
  - * ftw First Year Supplemental Census Grid – add this on the Other Import/Export/ Reports screen under one of the user defined drop-down boxes

Years of Service

- Add the correct prior years of service in each of the Prior YOS columns for the affected participants

	Last Name	First Name	SSN	Prior Y...	Prior Y...	Prior Y...	Prior Y...	Prior Y...	TH Inserv Distri...	TH Inserv Distri...	TH Inserv Distri...
	Help	Help	Help	Help	Help	Help	Help	Help	Help	Help	Hel
1	Bacall	Lauren	111-11-1111	0	0	0	0	0	0.00	0.00	0.0
2	Ball	Lucy	111-11-1112	0	0	0	0	0	0.00	0.00	0.0
3	Bogart	Humphrey	111-11-1113	0	0	0	0	0	0.00	0.00	0.0
4	Burton	Richard	111-11-1114	0	0	0	0	0	0.00	0.00	0.0
5	Davis	Bette	111-11-1115	0	0	0	0	0	0.00	0.00	0.0
6	De Havilland	Olivia	111-11-1116	0	0	0	0	0	0.00	0.00	0.0
7	Fonda	Henry	111-11-1117	0	0	0	0	0	0.00	0.00	0.0
8	Gable	Clark	111-11-1118	0	0	0	0	0	0.00	0.00	0.0
9	Grant	Cary	111-11-1119	0	0	0	0	0	0.00	0.00	0.0
10	Hepburn	Audrey	111-11-1120	0	0	0	0	0	0.00	0.00	0.0
11	Hepburn	Katharine	111-11-1121	0	0	0	0	0	0.00	0.00	0.0
12	Kelly	Grace	111-11-1122	0	0	0	0	0	0.00	0.00	0.0
13	Leigh	Vivien	111-11-1123	0	0	0	0	0	0.00	0.00	0.0
14	Monroe	Marilyn	111-11-1124	0	0	0	0	0	0.00	0.00	0.0
15	Presley	Elvis	111-11-1125	0	0	0	0	0	0.00	0.00	0.0
	Totals:			0	0	0	0	0	0.00	0.00	0.0

Other Supplemental Data on Grid

- In-service distribution amounts for top heavy testing
- Key employee indicators
- Prior year statutory compensation
- Top paid group – prior year
- Fiscal year fields – only needed for a non-calendar year plan the first year in ftwilliam

Before Running the Data Scrub

- Save yourself some time - make sure that:
  - Plan specifications are coded correctly, especially the Eligibility section
  - Census data is clean
- Run the scrub once you have added the supplemental data – order is very important:
  - Upload primary census
  - Add supplemental grid and enter years of service etc. where necessary
  - Run the data scrub

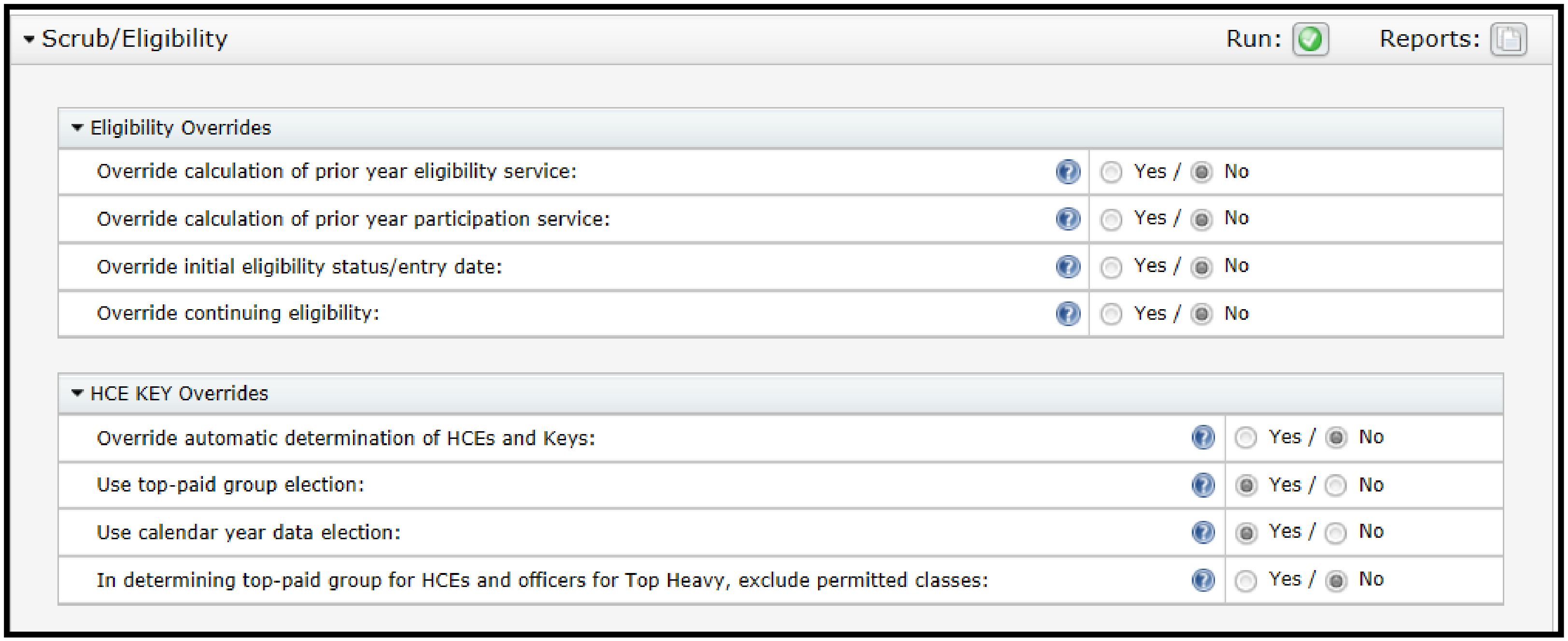
Running the Data Scrub

- The data scrub calculates eligibility and entry dates and determines HCEs and Key employees
- Pay attention to errors on the scrub results screen
  - Missing data – dates, compensation etc.
  - Eligibility incorrect – e.g. deferrals listed for ineligible employees
  - Suppress warnings, especially first year

Data Scrub Parameters

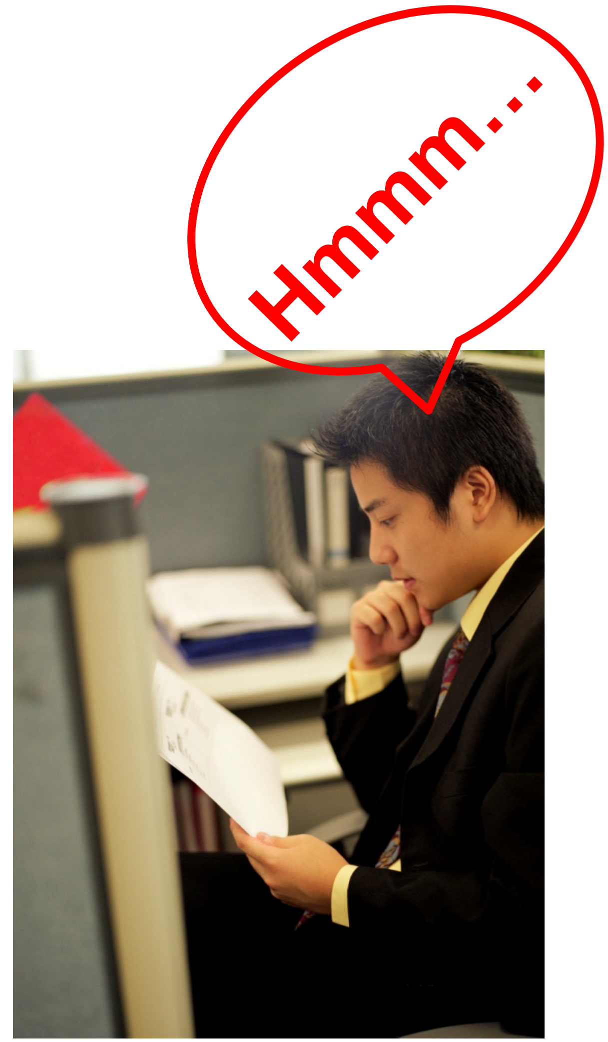
- First two eligibility overrides always default to Yes for the first ftw year
- Third eligibility override should be set to Yes if you are importing eligibility & entry dates from prior vendor
- Top paid group election is made under HCE Key Overrides
  - Need to indicate who was in the TPG last year for the first ftw year only
  - If excluding part-time categories, indicate on parameters & populate Employee Type column on census

Data Scrub Parameters



Review Reports

- Always review the eligibility & HCE/Key status reports to ensure the eligibility & entry dates are correct and the HCEs and key employees are properly identified
- Review 'Key for Next Year' report for key employees used in the top heavy test



Not the First Year in the System

- Before adding the 2016 plan year:
  - Make sure 2015 is clean & complete on the testing side
    - Data Scrub is run
    - Top heavy test is run
    - Combined test & ADP/ACP tests need to be run for fiscal year plan so that catchup buckets will be populated correctly for new year
  - If planning to bring balances forward next year - add ending balance batch on transaction menu and post

Adding 2016

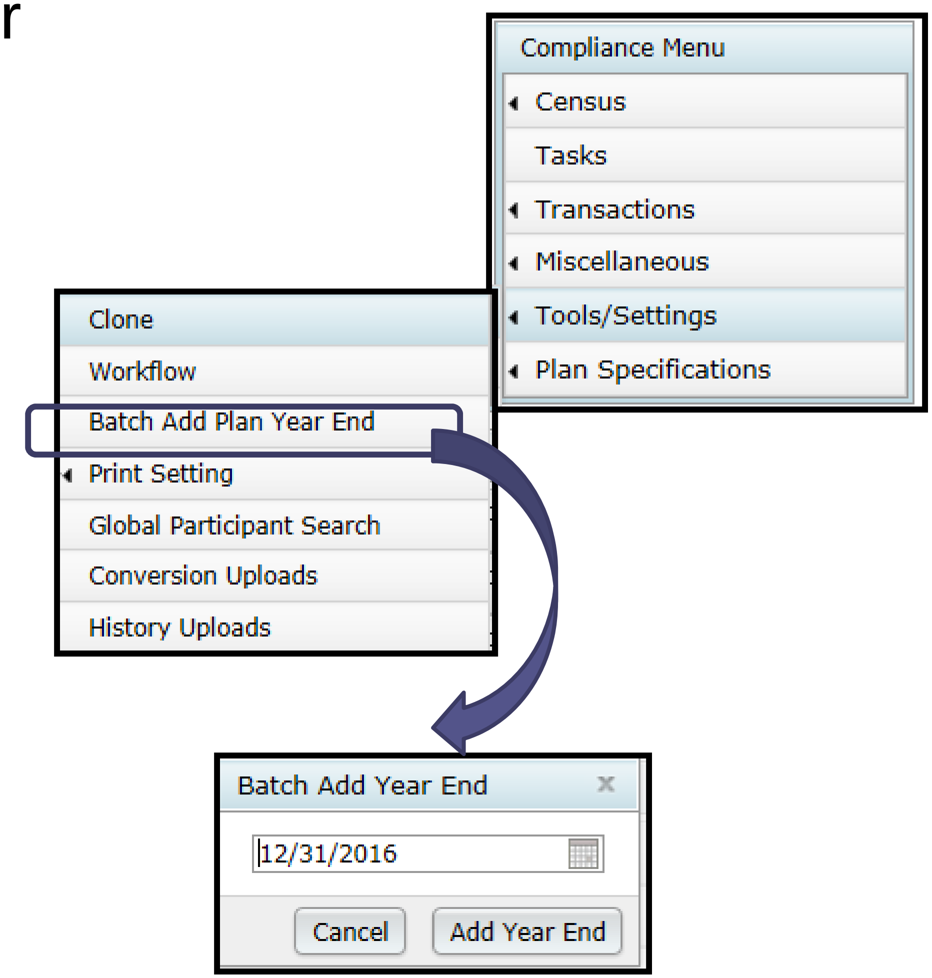
- Click ‘Add new year end’
  - Make sure the correct year end is entered
- Select option to copy plan specifications from document or prior year on compliance
  - If copying from the document, review general features/date formats/ accounts and sources
- Select new primary census grid if last year was a conversion year
- Create and post beginning balances from prior year transactions

Adding Plan Year Ends in Batch

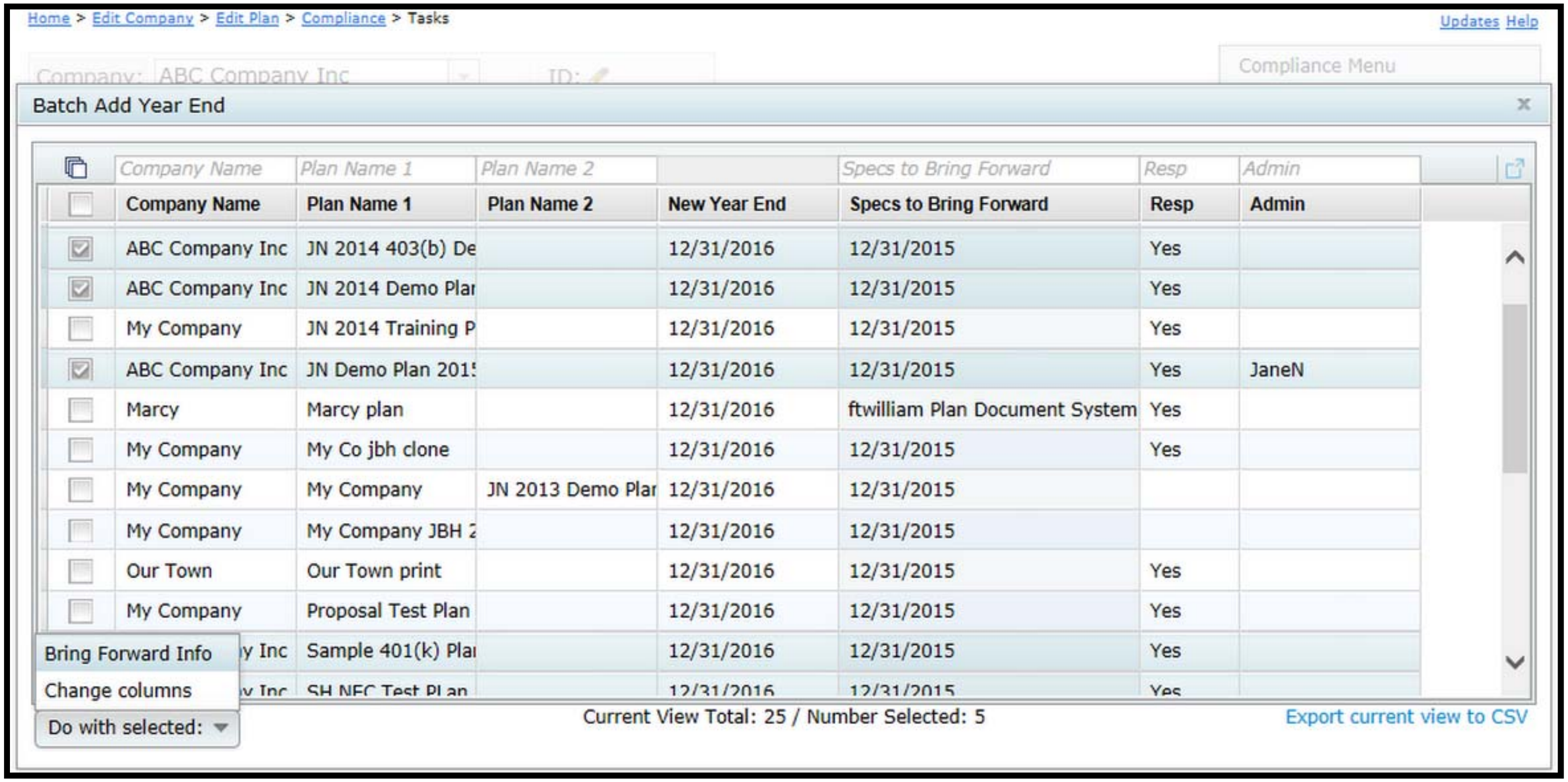
- Feature is available to all users
- From the compliance module in any plan, go to Tools/Settings =>'Batch Add Plan Year End'
  - Brings up a dialogue box to select the year end to add – defaults to the current calendar year
- Choose or enter the year end, you'll see a list of plans to select to the new year end to
- The list will include all plans whose last year end is the year before the one entered

Adding Plan Year Ends in Batch

- 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 12/31/2016 you'll get a list of all calendar year plans that have a 12/31/2015 year end but not a 12/31/2016

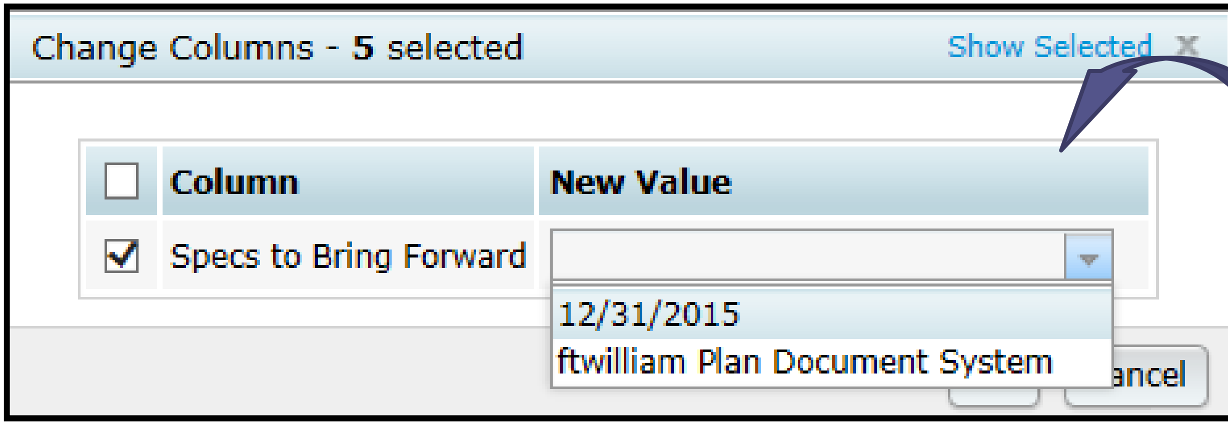


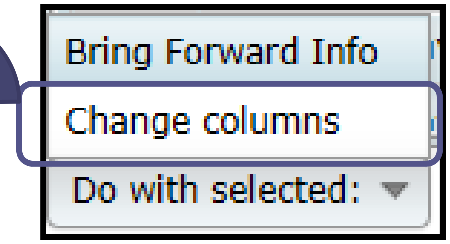
Adding Plan Year Ends in Batch



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

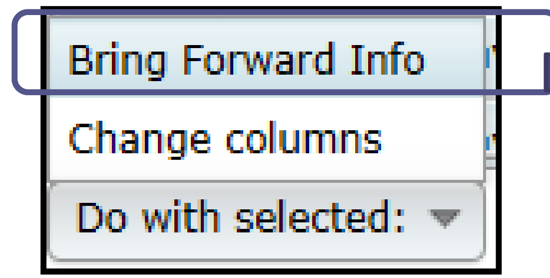
Adding Plan Year Ends in Batch



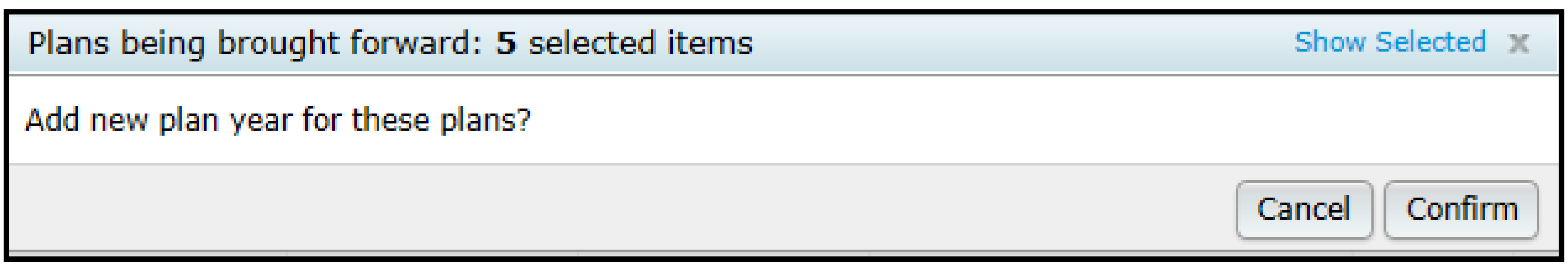


- Option to copy plan specs from the previous year in compliance is the default selection
- Can change line by line or select the ones to change and use ‘Do with Selected’ button
  - Select plans and then ‘Change columns’ to switch to copying from the document

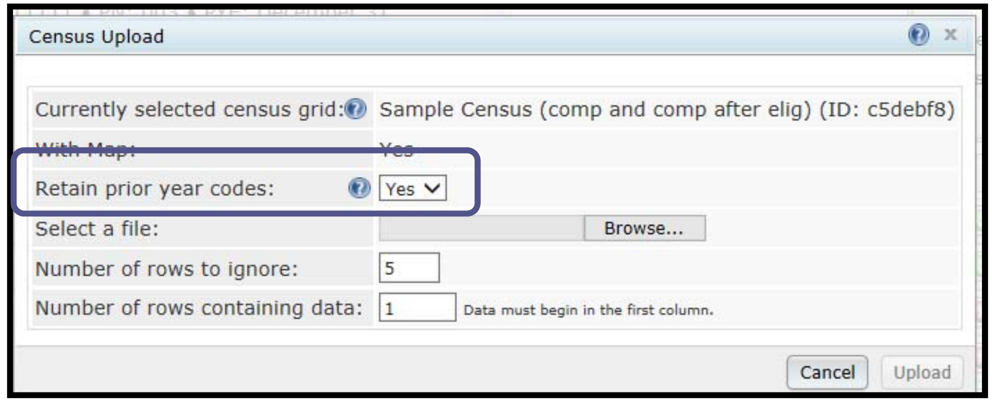
Adding Plan Year Ends in Batch



- To batch add the year-ends, select the plans and click the ‘Bring Forward Info’ option
- Confirm the selection



Census Upload - 2nd or Later Years



- Download census grid
  - Use ‘Prior’ link for grid pre-populated with last year’s data
    - Only upload hire & term dates in new plan year
- Option on upload screen to copy some data fields from prior year – default is ‘Yes’
  - Will use data from prior year even if different data is on census upload

Janice Herrin

Eligibility

Allocations & testing

Transactions

Miscellaneous Menu and Tools & Settings

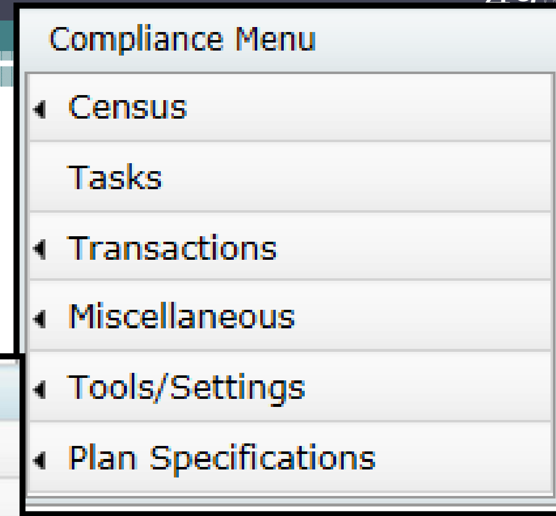
The Tasks Menu

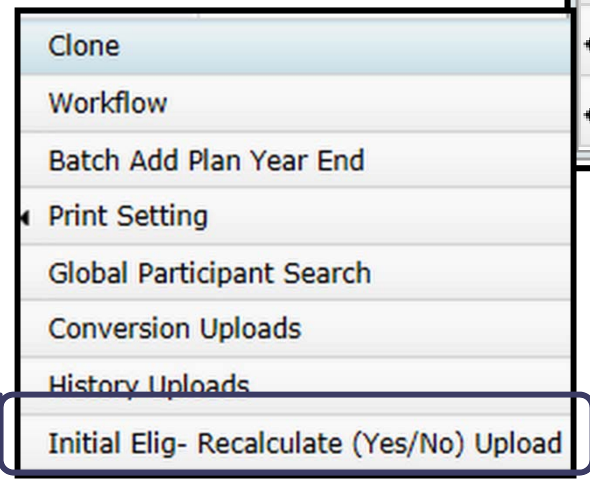
- 'Run' icon indicates whether the task was run and if it passed or failed
- Once task is run reports icon is clickable

Eligibility

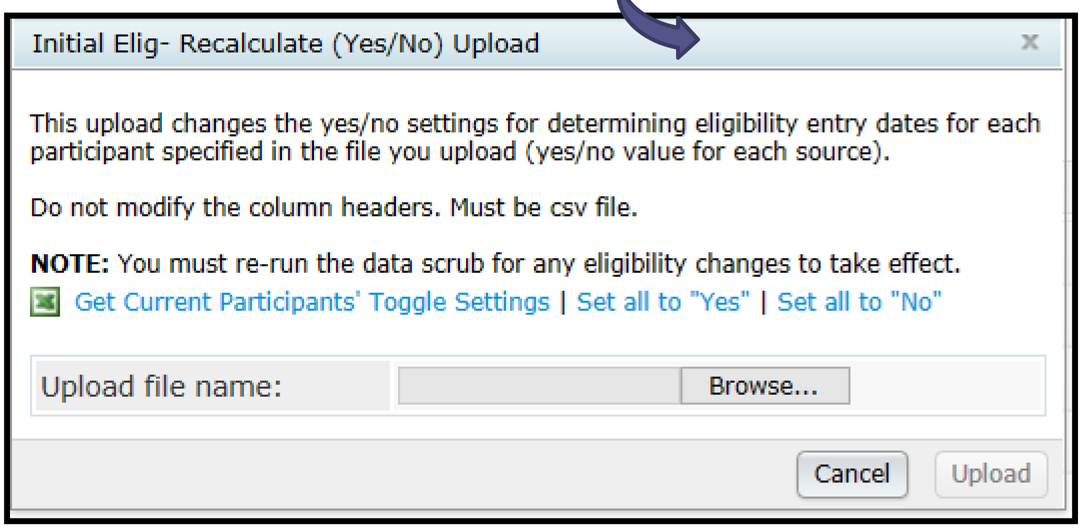
- The software calculates eligibility & entry dates based on census data
- Logic enhanced in 2016 – now, once dates are determined they are not recalculated unless you reset
- Two ways to recalculate eligibility
  - First year in ftwilliam you can re-upload the census and select Yes on the upload screen to reset entry dates
  - Use the new tool to recalculate eligibility

Recalculate Eligibility Tool





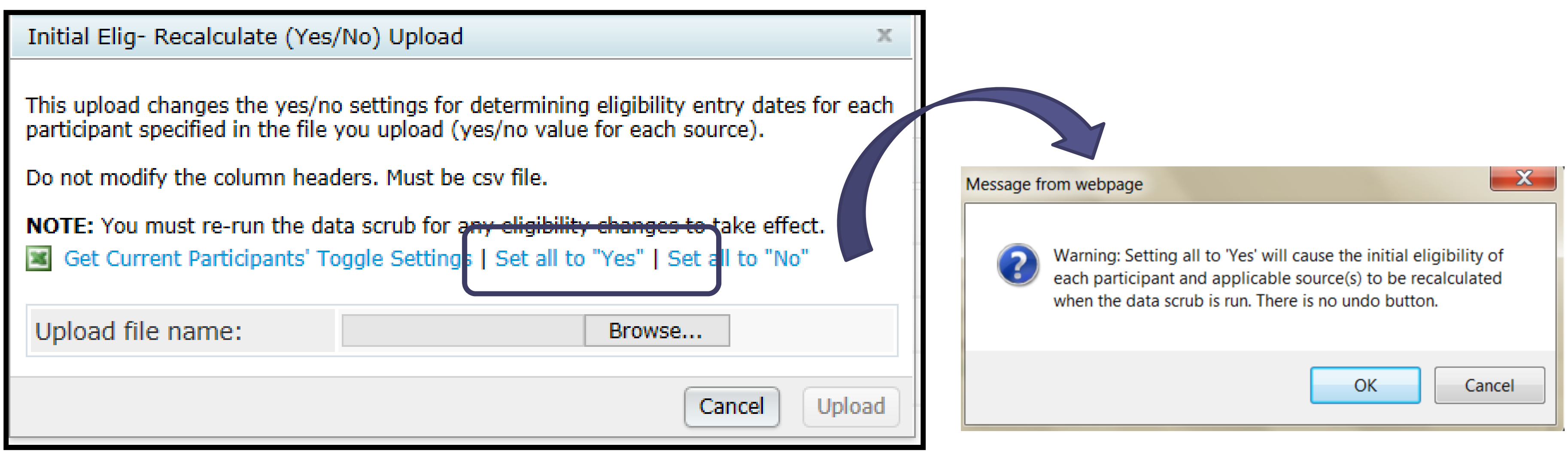
Recalculation window



- Window opens
- Options to download worksheet or set all participants eligibility

Recalculate Eligibility Tool

- To recalculate eligibility dates for all participants for all sources, click Set all to “Yes” link. Confirm that you want to reset for all
  - Close the recalculation window and run the scrub



Recalculate Eligibility Tool

- To recalculate for some participants and/or for some sources, download the worksheet – click the Get Current Participants' Toggle Settings link
  1. Open the worksheet and delete the rows for participants you don't want to recalculate
     - Contains a list of participants with a column for each source and No in each cell
  2. Change No to Yes for the sources you are recalculating
  3. Save as a CSV file & upload the worksheet from the recalculation window
  4. Tip – you can click 'Set All to Yes' before downloading the worksheet to avoid step 2 above

Allocations

- Option to calculate or upload employer contributions
  - If uploading, set overrides on Set Allocation Parameters screen BEFORE running the data scrub
    - Option to run a true-up report
    - Additional option for match to calculate associated match from ADP refunds
- Can also push contribution amounts from the transaction menu to the allocation and test on those

Allocation Overrides

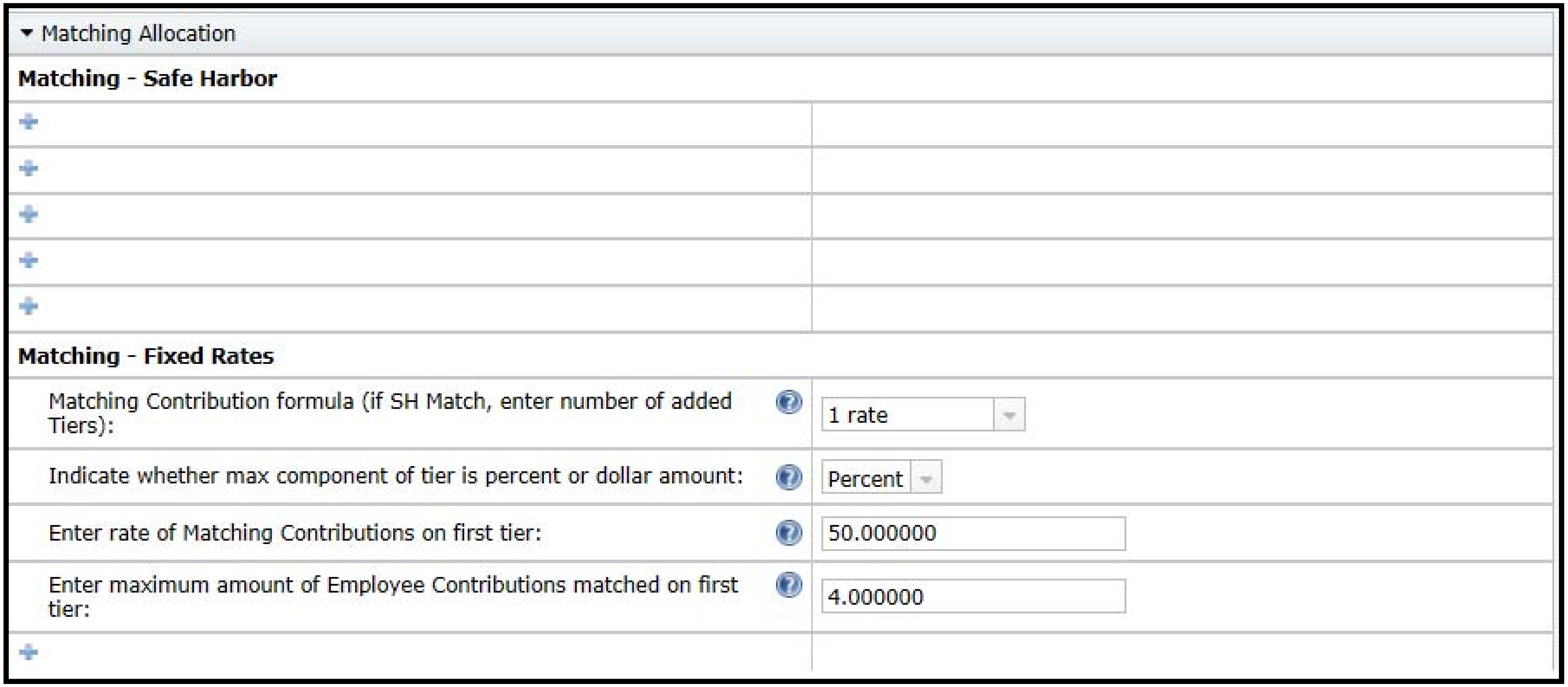
▾ Allocation Overrides

Override Employee Contributions to be matched (requires entry of matched contributions in census):	○ Yes / ● No
Match allocation manual override:	● Yes / ○ No
If Match allocation override, calculate true-ups:	○ Yes / ● No
If Match allocation override, calculate match associated with ADP refund based on formula:	● Yes / ○ No
Safe Harbor Match allocation manual override:	○ Yes / ● No
Nonelective allocation manual override:	○ Yes / ● No
QNEC allocation manual override:	○ Yes / ● No
Average benefits calculation override:	○ Yes / ● No
Is there another plan that must be taken into account for Average Benefits:	○ Yes / ● No

Allocations

- Enter formula(s) on Set Allocation Parameters screen
- Making maximum PS contribution – can choose one person or all HCEs
- 'Maximize' is not an option for new comparability – allocation type MUST BE 'Specified'
  - Enter a % or dollar amount for each group under 'Define Allocation Groups' – amount or % goes to each person in the group
  - To maximize people, allocate enough to their groups – software caps at 415 limit

Allocation - Match Parameters



▾ Matching Allocation

Matching - Safe Harbor

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:	50.000000
Enter maximum amount of Employee Contributions matched on first tier:	4.000000

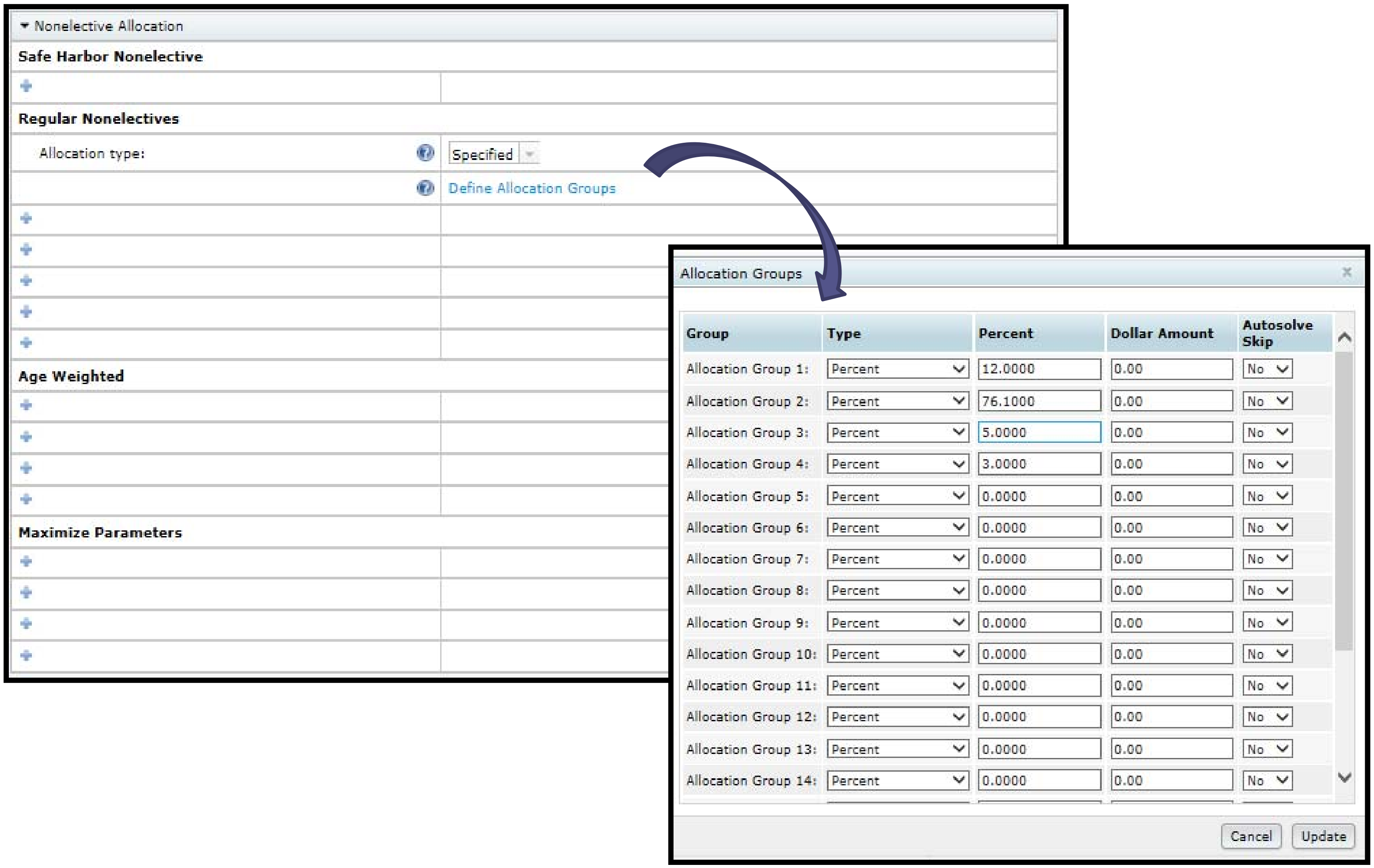
- Formula is in allocation parameters – will feed from document if plan specific

Allocation – Top Heavy Parameters

Top Heavy Allocation	
Top Heavy as of Determination Date:	Yes
Plan to which Top-Heavy allocations are made:	This Plan
Design of Plan automatically meets top heavy allocation requirements	Yes / 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:	N/A - No other plan
Include Match in Top Heavy minimums for Non Keys:	Yes / No
Participants who share in Top-Heavy minimum allocations:	Non-Key only
Aggregation required:	Yes / No
Override Top Heavy minimum allocation percent	Yes / No

- Top heavy status feeds from top heavy test section
- Need to indicate if plan design meets top heavy requirements

Allocation - Nonelective



Troubleshooting the Allocation

- Eligibility is incorrect
- No plan compensation
- The deduction limit is exceeded
- The dollar amount is insufficient to meet top-heavy minimums
- A non-compliant integrated formula is used
- The allocation type for NCPS is not ‘Specified’
- Plan is top heavy and there are self-employed people on the census – need to override the TH minimum calculation and enter the percentage
- Contributions are uploaded on the census but no override set

Testing

- Run tests in the order listed
  - Look at results screen – some are interactive
  - Close results screen with the OK button
- Combined test is first – all other testing hinges on this test
  - 415 Limit
  - 410(b) Coverage test
  - 404 Deduction limit
  - 414(s) compensation test
- Combined Test Parameters
  - Plan aggregation – either ftw or non-ftw plan
  - Disaggregation of otherwise excludables
  - Compensation testing – need to indicate if required and enter de minimis amount

Combined Test Parameters

Aggregation/Disaggregation	
Divisions - Not used	
Testing Divisions used (Not used):	Yes / No
MEP - APA - Not used	
Indicate status as MEP/APA (Not used):	None
410(b)/401(a)(4)/ADP/ACP Testing	
Testing Aggregation used:	Yes Help
If Testing Aggregation is 'Yes', Testing Aggregation group ID:	
If Testing Aggregation is 'Yes', Plan containing combined census:	Other Plan
If Testing Aggregation is 'Yes', combine selected data for duplicate Participants:	Yes / No
Disaggregation using otherwise excludable employees:	Yes / No Help

- Upper section

Combined Test Parameters

▾ 415 Testing		
415 Aggregation required:	?	○ Yes / ◉ No
▾ 404 Deduction Testing		
Override 25% deduction limit:	?	○ Yes / ◉ No
Enter the amount of contributions funded by forfeitures as a positive amount:	?	0.00
Enter the net amount contributions from other plans of the Employer:	?	0.00
▾ 414(s) Compensation Testing		
Compensation Testing required for Match:	?	○ Yes / ◉ No
Compensation Testing required for Nonelective:	?	○ Yes / ◉ No

- Lower section

ADP/ACP Parameters

▾ ADP/ACP Overrides

Override 402(g)/Catchup calculations:	○ Yes / ● No

▾ 410(b)/401(a)(4)/ADP/ACP Testing Options (Modify R

Testing Divisions (Multiple Employer Plan)	No
Plan Aggregation	No
+	
Disaggregation using otherwise excludable employees	No

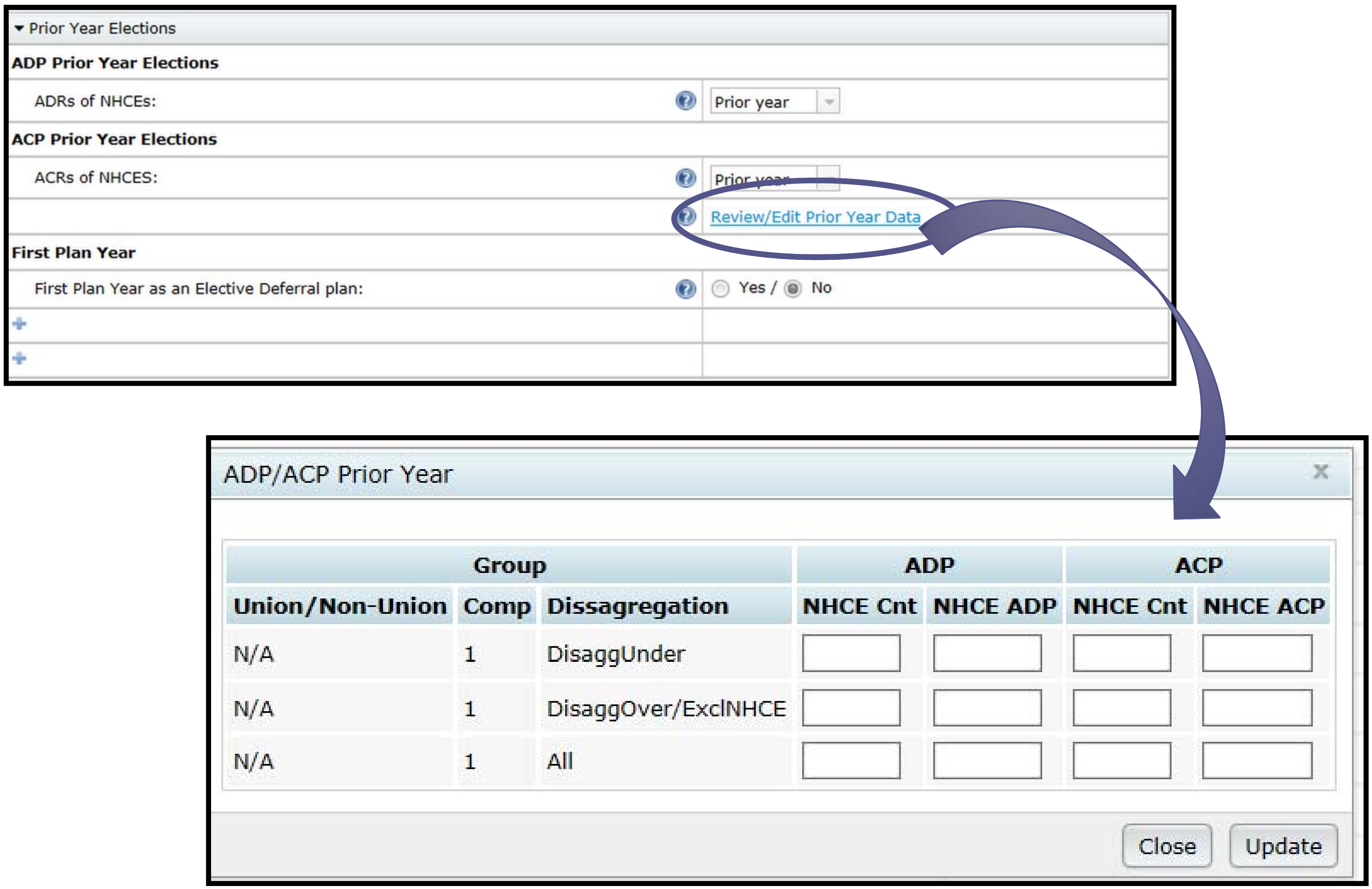
▾ Testing Parameters

Testing Groups	
Two definitions of compensation used:	○ Yes / ● No
Methods to Avoid Failure	
Borrow contributions from ADR:	● Yes / ○ No
Create catchup:	● Yes / ○ No
+	
Failure Corrections	
Roth correction order for ADP failures:	Last
Refund income calculation:	Safe harbor

▾ Prior Year Elections

ADP Prior Year Elections	
ADRs of NHCEs:	Current year
ACP Prior Year Elections	
ACRs of NHCES:	Current year
+	
First Plan Year	
First Plan Year as an Elective Deferral plan:	○ Yes / ● No
+	

Adding Prior Year Results



▾ Prior Year Elections

ADP Prior Year Elections

ADRs of NHCEs: Prior year

ACP Prior Year Elections

ACRs of NHCES: Prior year

Review/Edit Prior Year Data

First Plan Year

First Plan Year as an Elective Deferral plan: Yes / No

ADP/ACP Prior Year

Group			ADP		ACP	
Union/Non-Union	**Comp**	**Dissagregation**	**NHCE Cnt**	**NHCE ADP**	**NHCE Cnt**	**NHCE ACP**
N/A	1	DisaggUnder				
N/A	1	DisaggOver/ExclNHCE				
N/A	1	All				

Close Update

ADP/ACP Test Results

- 'DisaggOver' - the group who are not excludable
- 'DisaggUnder' - the group who are excludable (do not meet statutory eligibility)
- 'ExclNHCE' - excluding only the NHCEs not meeting statutory eligibility from the test.

ADP/ACP Testing Results

Group		ADP					ACP						
Union/Non-Union	**Disaggregation**	**NHCE Cnt**	**NHCE ADP**	**MAX**	**HCE ADP**	**ADP Result**	**NHCE Cnt**	**ACP Orig**	**From ADP**	**ADJ NHCE ACP**	**ADJ MAX**	**HCE ACP**	**ACP Result**
N/A	DisaggOver	10	4.84	6.84	9.47	**FAIL**	10	2.08	0.00	2.08	4.08	3.50	**PASS**
N/A	DisaggUnder	1	0.00	0.00	0.00	**PASS**	0	0.00	0.00	0.00	0.00	0.00	**PASS**
N/A	ExclNHCE	10	4.84	6.84	9.47	**FAIL**	10	2.08	0.00	2.08	4.08	3.50	**PASS**

Test Fails

Select testing combination to correct: ExclNHCE:1

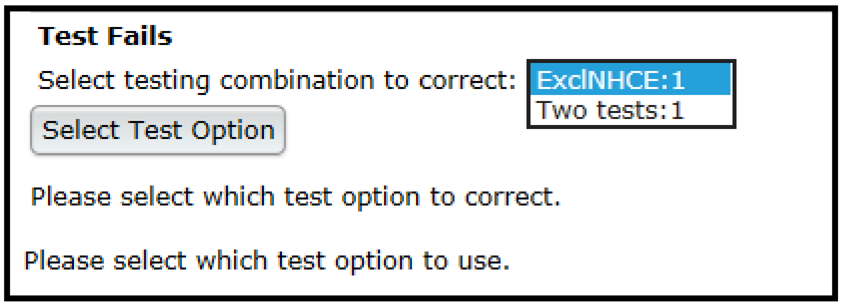
Select Test Option

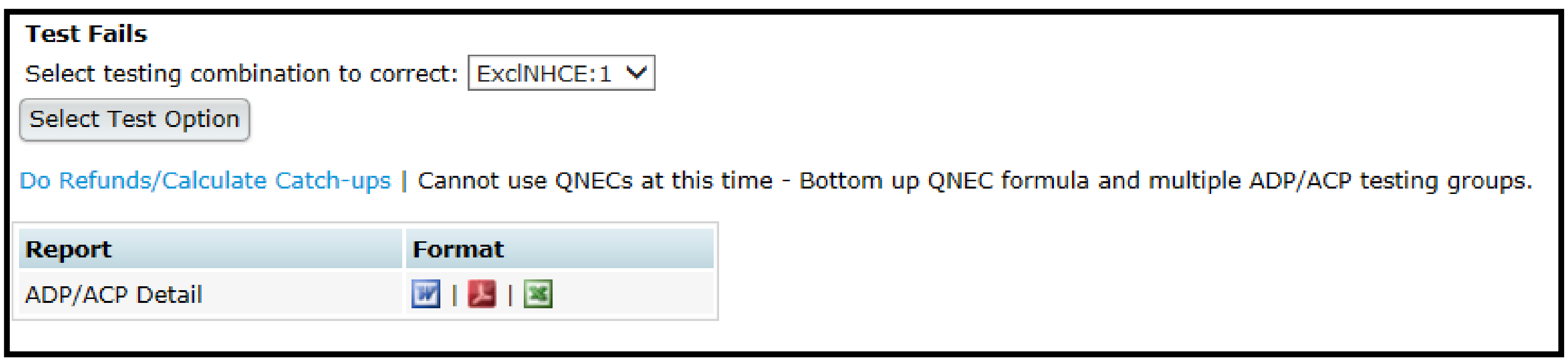
Please select which test option to correct.

Please select which test option to use.

ADP/ACP Test Corrections

- Select how corrections should be calculated
  - One test – without excludable NHCEs i.e. the carve out method
  - Two tests – excludables & nonexcludables
  - Need to select test option even if not using disaggregation





ADP/ACP Test

- Corrections
  - QNEC – pro-rata, flat dollar or new 'Targeted' (previously bottom up)
  - Refunds/move excesses to catch-up
  - If uploading match be sure to enter formula so the system can calculate match associated with ADP refunds

ADP Corrections

Preliminary refunds

Amount moved to catch-up

Final refund amounts

Do Refunds/Calculate Catch-ups

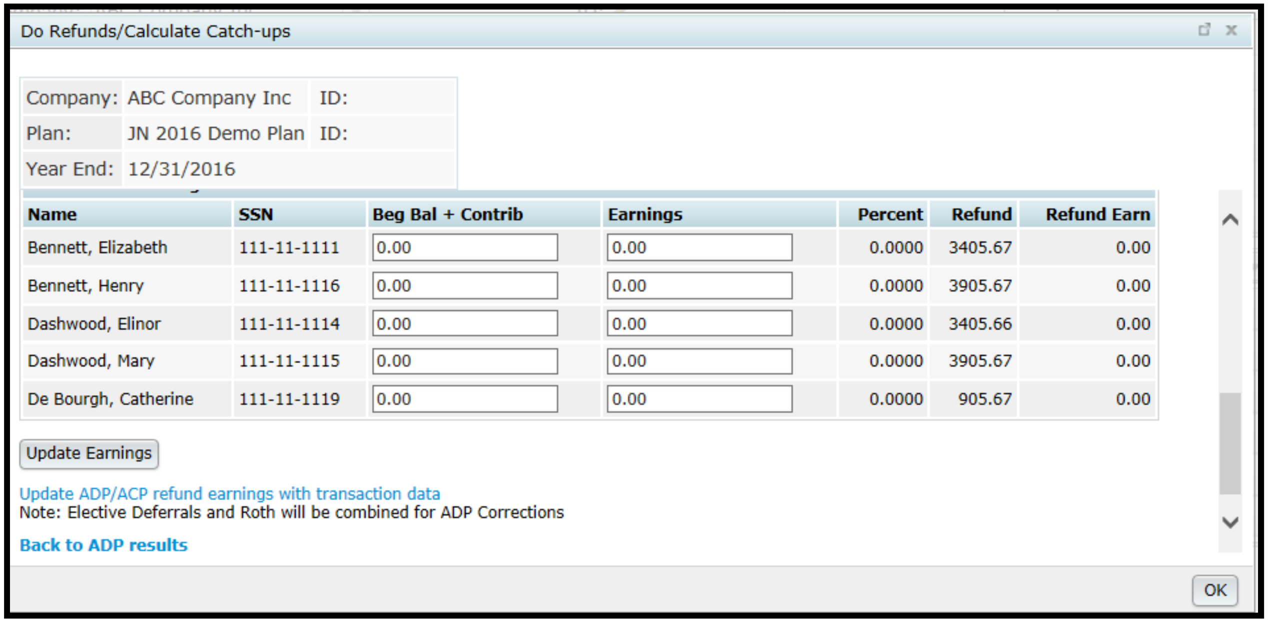
Company:	ABC Company Inc	ID:	
Plan:	JN 2016 Demo Plan	ID:	
Year End:	12/31/2016		

ADP Test Result: FAIL

Name	SSN	Comp	Contrib	ADR	Adj ADR	Prelim $	Refund Prelim	CatchUp ADP	Total Refund	*Elective Refund*	*Roth Refund*	CatchUp 402g Prev. used
Bennett, Elizabeth	111-11-1111	75000.00	17500.00	23.33	11.57	8822.50	3405.67	0.00	**3405.67**	*3405.67*	*0.00*	0.00
Bennett, Henry	111-11-1116	265000.00	18000.00	6.79	0.00	0.00	3905.67	0.00	**3905.67**	*3905.67*	*0.00*	6000.00
Bennett, Jane	111-11-1112	83000.00	7500.00	9.04	0.00	0.00	0.00	0.00	**0.00**	*0.00*	*0.00*	0.00
Dashwood, Elinor	111-11-1114	85000.00	17500.00	20.59	11.57	7665.50	3405.66	0.00	**3405.66**	*0.00*	*3405.66*	0.00
Dashwood, Mary	111-11-1115	265000.00	18000.00	6.79	0.00	0.00	3905.67	0.00	**3905.67**	*3905.67*	*0.00*	6000.00
De Bourgh, Catherine	111-11-1119	130000.00	18000.00	13.85	11.58	2946.00	3905.67	3000.00	**905.67**	*905.67*	*0.00*	3000.00
Gardiner, George	111-11-1122	150000.00	15000.00	10.00	0.00	0.00	905.66	905.66	**0.00**	*0.00*	*0.00*	0.00

OK

Earnings



Do Refunds/Calculate Catch-ups

Company:	ABC Company Inc	ID:	
Plan:	JN 2016 Demo Plan	ID:	
Year End:	12/31/2016		

Name	SSN	Beg Bal + Contrib	Earnings	Percent	Refund	Refund Earn
Bennett, Elizabeth	111-11-1111	0.00	0.00	0.0000	3405.67	0.00
Bennett, Henry	111-11-1116	0.00	0.00	0.0000	3905.67	0.00
Dashwood, Elinor	111-11-1114	0.00	0.00	0.0000	3405.66	0.00
Dashwood, Mary	111-11-1115	0.00	0.00	0.0000	3905.67	0.00
De Bourgh, Catherine	111-11-1119	0.00	0.00	0.0000	905.67	0.00

Update Earnings

Update ADP/ACP refund earnings with transaction data
Note: Elective Deferrals and Roth will be combined for ADP Corrections

Back to ADP results

OK

- Two ways to calculate earnings
  - If you have transaction data already added, just click the ‘Update earnings with transaction data’ link
  - Otherwise enter the beginning balances plus contributions, & earnings in the table and click the update earnings button

Associated Match

ACP Test Result: FAIL								
Name	SSN	Comp	Contrib	ACR	Adj ACR	Prelim $	Refund	Associated Match Forf
Fonda, Henry	111-11-1117	175000.00	14000.00	8.00	5.75	3937.50	3217.90	0.00
Gable, Clark	111-11-1118	255000.00	16650.00	6.53	5.75	1987.50	5867.90	0.00
Hepburn, Audrey	111-11-1120	150001.00	10000.03	6.67	5.75	1374.97	0.00	0.00
Hepburn, Katharine	111-11-1121	145000.00	11600.00	8.00	5.75	3262.50	817.90	382.50
Leigh, Vivien	111-11-1123	255000.00	18900.00	7.41	5.75	4237.50	8117.91	0.00
Stewart, Jimmy	111-11-1126	160001.00	12800.08	8.00	5.75	3600.02	2017.98	0.00
Wayne, John	111-11-1128	159000.00	12720.00	8.00	5.75	3577.50	1937.90	0.00

- Associated match is match that a participant is no longer entitled to because of refunded deferrals
  - Also referred to as ‘Orphaned Match’
  - Amount is forfeited; no vesting applied
- ACP refund amounts are calculated first – refunds may take care of associated match

General Test - Cross Tested Plans

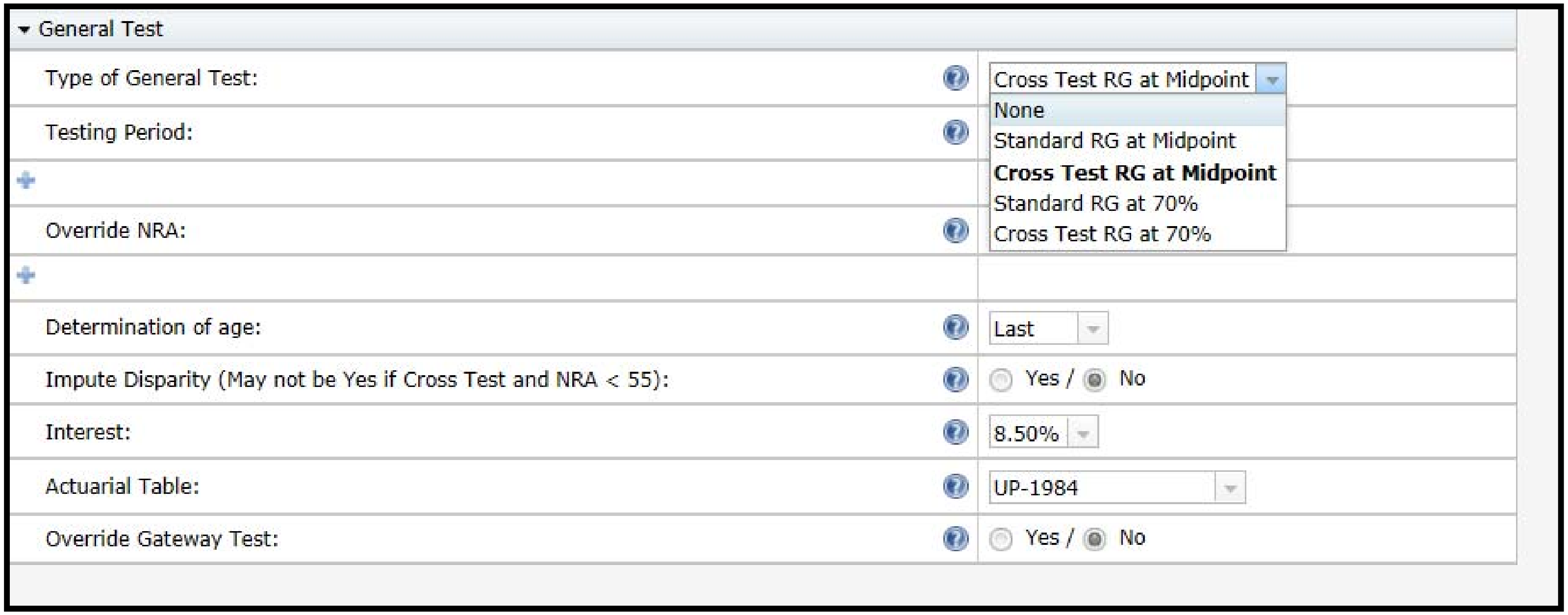
- New Comparability profit sharing allows sponsor to split population into groups and allocate a different amount/percentage to each group
- Participant's allocation group code is set in census
- The allocation formulas are set in the Allocation Parameter section – Define Contribution Groups – dollar amount or percentage
- Requires 'Cross Testing' – tests benefits as well as contributions
- Allocation Type has to be 'Specified'
  - To max out participants, allocate enough to their groups – software will cap at 415 limit

General Test Parameters

General Test	
Type of General Test:	Cross Test RG at Midpoint
Testing Period:	Current Year
+	
Override NRA:	Yes / No
+	
Determination of age:	Last
Impute Disparity (May not be Yes if Cross Test and NRA < 55):	Yes / No
Interest:	8.50%
Actuarial Table:	UP-1984
Override Gateway Test:	Yes / No

- Standard or Cross test
- Current year or account balances
- Imputed disparity
- Actuarial options

General Test Parameters



- Type of general test - suggest starting with cross test RG at midpoint
- Change to 70% if the average benefits test is failing

General Test Autosolve

General Test Results

Run General Test

Company:	ABC Company Inc	ID:	
Plan:	JN 2016 Demo Plan	ID:	
Year End:	12/31/2016		

Average Benefit Test	
Override:	No
NHCE Ben %:	28.00
HCE Ben %:	58.73
Ave Ben %:	47.68
Average Benefit Test:	**FAIL**

Gateway (May produce overrides to Profit Sharing Eligibility which may require Plan amendment)
Auto Solve Gateway - Increase NHCEs | Auto Solve Gateway - Decrease HCEs

Rate Group
Auto Solve Rate Group - Increase NHCEs | Auto Solve Rate Group - Decrease HCEs

General Test Correction options

Changes to allocation groups - Increase NHCEs				
Group 1	Percent	12.0000	12.0000	
Group 2	Percent	76.1000	76.1000	
Group 3	Percent	5.0000	5.0000	
Group 4	Percent	3.0000	5.01	View Changes

Please note that the corrections are approximate and that it may be necessary to run the solver more than once.

Please note that the cost estimates are based on the allocation amounts entered in the Allocations Parameters and not actual allocations. Actual allocations will be lower if the allocations are reduced to comply with sec 415.

Revise allocations and re-run test

Back to Gen Test results

Top-Heavy Test

- Top Heavy Parameters
  - Add other plan balances
  - Enter top-heavy status – first year only
  - Ending balance only or all transactions
- Top heavy section on Set Allocation Parameters
  - Top heavy status feeds from top heavy parameters
  - Can indicate if plan design meets top heavy requirements
  - Opt to use match to meet TH minimums
  - TH minimums go to all or non-key only

Top Heavy Test Parameters

Top Heavy Overrides

Top Heavy Determination Override:	○ Yes / ● No

Do not use!

Top Heavy as of Determination Date

Plan is Top Heavy as of the Determination Date:	● Yes / ○ No
Top Heavy asset percent for Determination Date year:	0.0000
Top Heavy Balance this plan Key for Determination Date year:	0.00
Top Heavy Balance this plan Non-Key for Determination Date year:	0.00
Top Heavy Balance other plan Key for Determination Date year:	0.00
Top Heavy Balance other plan Non-Key for Determination Date year:	0.00
Top Heavy Balance Key total for Determination Date year:	0.00
Top Heavy Balance Non-Key total for Determination Date year:	0.00

Code plan as TH in first year

Top Heavy for Next Year

Plan is Top Heavy for next year:	● Yes / ○ No
Transactions to use when calculating Participant balances:	All transactions other than ending balance
Top Heavy asset percent for next year:	63.0789
Top Heavy Balance this plan Key for next year:	1935130.12
Top Heavy Balance this plan Non-Key for next year:	1132661.84
Top Heavy Balance other plan Key for next year:	0.00
Top Heavy Balance other plan Non-Key for next year:	0.00
Top Heavy Balance Key total for next year:	1935130.12
Top Heavy Balance Non-Key total for next year:	1132661.84

Set parameters to run test this year. Results will feed to next year

Top-Heavy Troubleshooting

- Correctly identifying key employees
  - Make sure ownership & family columns are correct in all years
  - Review HCE/Key report to see who is key for this year
  - Review ‘Top Heavy for Next Year’ report to see key employees in the TH test
- Problems with top-heavy minimum contributions
  - Make sure TH section of allocation parameters is coded correctly
  - Nonelective source needs to be active
  - Key employees need to have contributions

Top-Heavy Troubleshooting

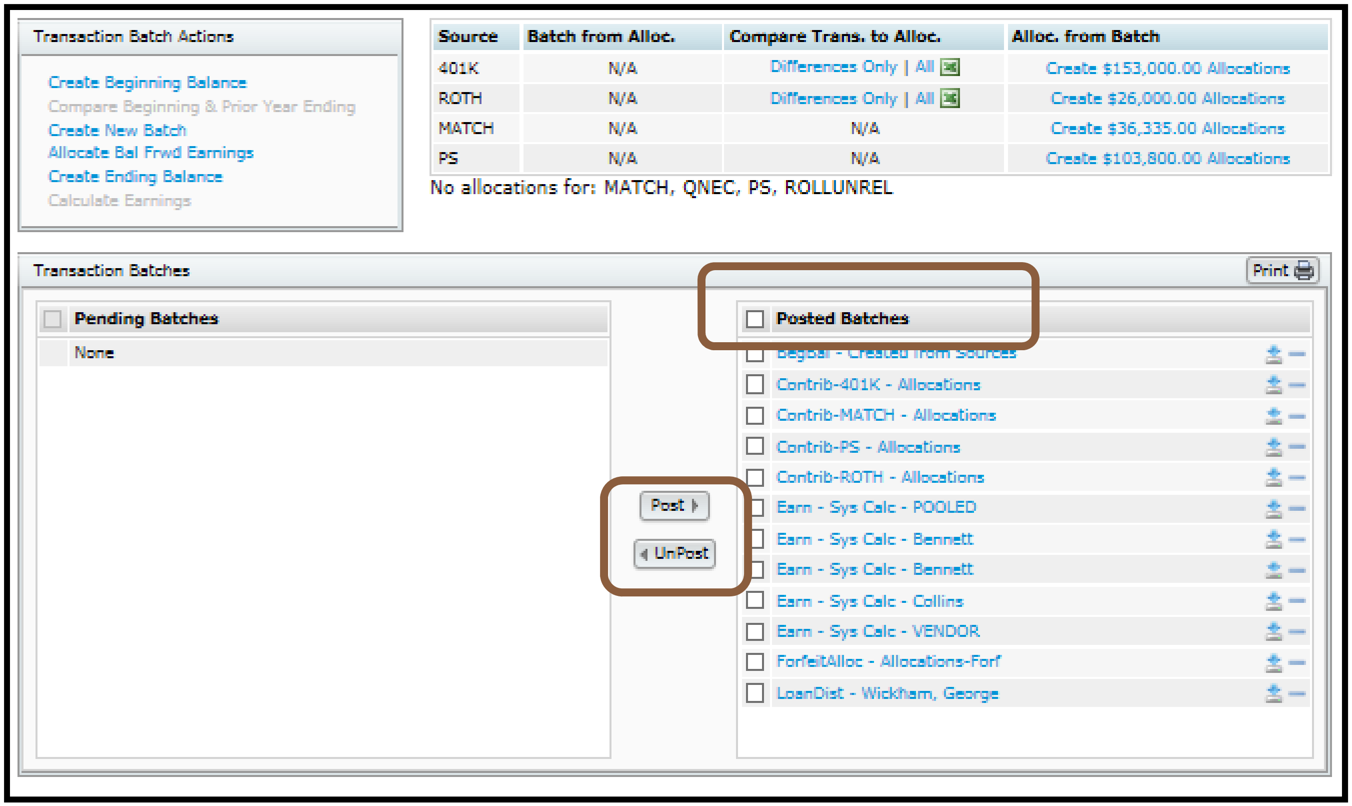
- Distributions are not being added back
  - Historical in-service distribution amounts can be entered in a supplemental grid for the first plan year using the ftwilliam software
    - Year one is the current plan year
  - Distributions taken in later years will pull from the transaction menu
    - Need to be coded as ‘Inservice’ transactions
  - Transaction batches need to be posted, not pending

Transaction Menu

- Options for adding transaction batches:
  - Upload from asset custodian
  - Create from the allocation
  - Create manually
  - Other options
    - Create beginning balances
      - Need posted prior year ending balance to add a populated batch
      - Select ‘’From Sources’ to add batch with participant & source/account detail
    - Allocate Earnings

Transaction Menu

- Option to select and post/unpost all batches together



Options on Transaction Menu

- Create transaction batches by 'pulling' contributions from the allocation
- Compare the allocation numbers with the transaction batches
- 'Push' transaction data to the census to populate the contribution columns
  - Allows you to run testing based on the numbers from the vendor

Source	Batch from Alloc.	Compare Trans. to Alloc.	Alloc. from Batch
401K	N/A	Differences Only | All	Create $153,000.00 Allocations
ROTH	N/A	Differences Only | All	Create $26,000.00 Allocations
MATCH	N/A	N/A	Create $36,335.00 Allocations
PS	N/A	N/A	Create $103,800.00 Allocations

No allocations for: MATCH, QNEC, PS, ROLLUNREL

Earnings Allocation

- Set formula on Work with Sources screen
  - Traditional vs. All transactions
    - Traditional = just $ going out
    - All Transactions = $ coming in and going out
  - Current year weighting factors
- Posting Order is important – make sure all batches are posted before allocating earnings
- Date range is set on the main transaction screen
  - Applies to statements & reports as well as earnings
- Accounts coded as Type ‘Brokerage’ allow earnings to be allocated to individuals

Earnings Allocation - Basis Methods

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

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 50% of	Contributions

All Transactions

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

Uploading Vendor Files

- Spreadsheet with instructions by vendor is in the Help Center under Transactions
- General rules:
  - Always set up ftwilliam sources, and accounts if using, before uploading file
  - Also map vendor sources to ftwilliam sources
  - If the vendor file is a CSV, open it, and save as a CSV file
  - If a non-CSV file, do not open, just download & save
  - Some files need the contract number as part of the file name

Generic Upload

- Generic upload available for plans using a vendor we don't have a custom feed for
- SRT upload is another option – easy to get data into the format they use
  - Need to use SRT source codes
- Contact support@ftwilliam.com for a sample template for either of the above

Client Package

- Set Printing Parameters - design style for reports & statements
  - Select style and orientation for each report or all reports
  - Custom messaging on statements is controlled by print style
- Select Reports – choose which reports to include in the package
- Print Package – open in MS Word or pdf

Global Print Settings

- Accessed from Tools/Settings Menu
- Allows designated admins to:
  - Design new print styles – new styles added are available to all plans
    - Participant statement messaging is controlled by print style
  - Select options for most standard reports
    - Order participants are listed
    - Additional information included, e.g. include SSNs, show fees separately on financial reports
    - Options selected will apply to all plans

Miscellaneous Menu

- Tasks that feed to other software modules – 1099-R & 8955-SSA can be run globally
  - 5500 Data Report – participant counts
  - 8955-SSA Export
  - 1099-R Export
- Other tasks – can be run globally
  - RMD – calculates required beginning dates and minimum distribution amounts
- All these tasks require the data scrub and one of the financial or vesting reports to be run

Miscellaneous Menu

- Miscellaneous Reports
  - Summary of Test Results – one page summary of all test results
  - Plan Highlights – includes testing parameters; intended for client use
  - Vesting export reports – two versions; both can be run at plan level or globally for all plans
    - Run vesting calculations

Tools & Settings

- Clone
- Workflow Grid
- Batch add year-end
- Print setting
- Global participant search
- Conversion upload
- History upload
- New tool to recalculate eligibility

Getting Help

- Two user guides are available – regular & quick start:
- Help Center
  - Includes troubleshooting information on using the software
- Both the above are accessed from the Wolters Kluwer logo drop-down or the ‘Help’ link at the top right of any plan in compliance
- Contact support@ftwilliam.com if you can’t access the Compliance Help Center

Getting Help

- Compliance User Group
  - Meets the first Tuesday of most months at 12 Noon CT via webinar
  - Contact support@ftwilliam.com to join
- Call (800)596-0714 or email support@ftwilliam.com with specific questions – hours are 8 AM to 5 PM CT on weekdays
  - Please send emails from the plan you are working in – allows us to see the problem
  - Please don’t sent emails to our personal email accounts

Thank You for Attending

- We will respond to questions from the webinar in a follow-up note by early next week
- Please send further questions or feedback to support@ftwilliam.com