



TPC

401(K)

THE PAYROLL COMPANY

PLAN SPONSOR CHECKLIST

Taking on the responsibilities of a retirement plan sponsor can seem a bit overwhelming at times, but it certainly doesn't have to be. All you need is a solid understanding of what is expected of you, and when to perform certain tasks. If you already partner with TPC 401(k), you know a lot of the heavy-lifting is done for you. We are here to guide you through the numerous of processes required to keep your plan in compliance, to avoid penalties, and to ensure the best overall support and education for your participants.

We thought it would be helpful to provide you with a plan sponsor “check-list” – a compilation of some of the more important items that will help you keep your responsibilities in order.

✓ **Have a basic understanding of your plan, knowing it could differ from other plans you have worked with.** There are a whole lot of things you can leave to the specialists, but there are a few general items you will want to make sure you're familiar with when it relates to your plan. Here are some important ones:

- **Eligibility requirements** – who can enter the plan, and after what age and/or amount of service (IE age 18 and one year of service).
- **Contribution types** – does your plan offer Pre-tax, Roth, or both? It's also good to know when and how employees can change their deferral amounts.
- **Vesting** – Does your company make contributions to employee accounts? If so, are these sources subject to a years of service requirement for ownership?
- **Loans and/or withdrawal options** – it's necessary to know which, if either, of these options is available for employees, and if so, where your responsibility lies as plan sponsor. Contact your provider/TPA for clarification.

✓ **Understand which compensation you need to include.** For purposes of retirement plan contributions, W-2 compensation isn't always the only definition that can be used. There are several definitions and exclusions that can be used for compensation so be sure you know what is in your plan document and discuss proper reporting with your TPA.

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- Make sure your annual census is up-to-date, accurate, and includes all employees.** Accurate and complete census reporting is vital for your plan testing and governmental reports. You will want to make sure you know who to include (hint – almost everyone – even if they are not participating) and who not to include (usually only 1099/independent contract employees). If you use our payroll services or have an automatic payroll feed set up to flow to your TPA, you're already ahead of the game.
- Maintain proper/Up-to-date records.** We will be sure to house a copy of pertinent plan documents, but it's important you have a file with this information as well. A few things to keep on hand: All of your signed plan documents, A copy of your SPD (summary plan description), fee disclosure, 5500 forms, compliance reports, and if applicable, any notices sent to participants such as a safe harbor notice. Keep an open dialogue with your TPA. If your business has gone through any changes, big or small, be sure to report them to your TPA. This includes items such change in ownership, the purchase of another entity, etc. Even if you assume the details aren't important or associated with your retirement plan, it's better to be safe than sorry. At times, even small changes can have a significant impact on your retirement plan at testing time.
- Respond to participants as promptly as possible.** Although it can be irritating at times, all participants, even those who no longer work for you, are entitled to information regarding their accounts. In our experience, the sooner participant issues are addressed, the better off you'll be. That includes questions, inquiries or even complaints. At TPC 401(k), we don't expect you to know the detailed answers to all employee questions. Don't hesitate to send them our way. We're happy to help.
- Review your plan at least annually.** Plan sponsors should request a retirement plan review at least annually as a refresher of plan features, offerings, fees, and performance, as well as ensuring that all administrators and advisers they hire are providing the services they agreed to (which should be clearly outlined in your service agreement). A good starting point for a review is the plan documents. The retirement plan document (RPD) and the summary plan description (SPD), contain all the necessary information about the plan. They include such items as plan participation eligibility, vesting requirements, compensation components, and investment and disbursement options upon retirement. You should be familiar with its provisions and should ensure that the plan is updated when necessary.

If you should have questions or concerns at any time, we hope you'll reach out to our professionals at TPC 401(k). That's what we are here for, after all. We take pride in forming solid partnerships with our advisors and plan sponsors to ensure a successful and well-run retirement plan for your business and employees.
