

# ANNUAL PLAN REVIEW



**Independent Thinking. Meaningful Results.**

# ANNUAL PLAN REVIEW PACKET

Every year, it's important to review your plan, monitor plan compliance, and document how your plan is being managed in accordance with regulations and guidelines.

The following outlines what this annual plan review covers:

## ANNUAL REVIEW PROCESS

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- 1** Review Prior Year Activity & Services
- 2** Review IPS & Plan Investments
- 3** Review Your Operational Compliance
- 4** Schedule a Prudent Process





STEP 01  
REVIEW PRIOR  
YEAR ACTIVITY &  
SERVICES

# STEP 01

## REVIEW PRIOR YEAR ACTIVITY & SERVICES

The following items were accomplished last year:



### Investment Due Diligence

- Formalized and adopted investment policy statement
- Periodic investment reviews conducted, emailed, and filed



### Fiduciary Support

- Provided the following educational content
  - DOL Guide Meeting Your Fiduciary Responsibilities
  - Fiduciary Training Meeting



### Service Provider Due Diligence

- Provided plan expense benchmark report
- Identify opportunities for improvement
- Reviewed service contracts to identify if changes were needed



### Participant Support

- Conducted initial enrollment meeting
- Provided for distribution required notice cover letters
- Conducted 11 individual consultation meetings
- Made 7 asset allocation changes and 9 contribution increases



### Plan Administration

- Helped to organize and consolidate plan compliance file
- Met in February and March with committee during initial new client process to implement and assist with Plan Governance Oversight



# STEP 01

## REVIEW PRIOR YEAR ACTIVITY

### QUARTERLY SERVICES

Q1

#### Investment Due Diligence

- Quarterly investment reporting
- IPS annual review checklist

#### Fiduciary Formalization

- Assist with reviewing fiduciary functions
- Fiduciary education

Q2

Q3

#### Provider Relationships

- Understanding provider selection and monitoring
- Plan benchmarking (every 3 years)

#### Fiduciary Formalization

- ERISA required notice support
- Review communications guidelines

Q4



# STEP 02 REVIEW IPS & PLAN INVESTMENTS

## STEP 02

# REVIEW IPS & PLAN INVESTMENTS

Review your current IPS. Check the box if you can answer YES to any of the following questions. Any checkmarks indicate an update of your Investment Policy Statement is likely.

### 01. Changes

Have there been any changes to the fiduciaries on your plan? If a fiduciary is changed, added, or deleted, this should be reflected on your policy.

### 02. ERISA Section 404(c) Election

Has the plan changed its election regarding compliance with ERISA Section 404(c)?

### 03. How You Actually Monitor Your Plan Investments

Have any changes been made to the monitoring criteria used on your plan?

### 04. Asset Class Changes

Have you added or removed any asset classes to your plan?

### 05. Big Picture Changes

Have there been any significant changes to your company's structure or investments since you last reviewed your IPS?

### 06. New Committee Members or Fiduciaries

Have any committee members or fiduciaries been added, removed, or replaced?





STEP 03 —  
**REVIEW YOUR  
OPERATIONAL  
COMPLIANCE**



# STEP 03

## REVIEW YOUR OPERATIONAL COMPLIANCE

Use this checklist to review (and hopefully avoid) the most common compliance mistakes, as identified by the IRS.\*

### 01. Updating Plan Docs

Has your plan document been updated within the past few years to reflect recent law changes?

#### Avoid the Mistake

Use a calendar that notes when you must complete amendments. Review your plan document annually. Maintain regular contact with the company that sold you the plan.

### 02. Following Plan Terms

Are the plan's operations based on the terms of the plan document? Failure to follow plan terms is a very common mistake.

#### Avoid the Mistake

Develop a communication mechanism to make all relevant parties aware of changes on a timely and accurate basis. Due diligence on at least an annual basis to ensure plan terms are being followed.

### 03. Define Compensation

Is the plan's definition of compensation for all deferrals and allocations used correctly?

#### Avoid the Mistake

Perform annual reviews of compensation definitions and ensure that person in charge of determining compensation is properly trained to understand the plan document.

### 04. Matching Contributions

Were employer matching contributions made to all appropriate employees under the terms of the plan?

#### Avoid the Mistake

Contact plan administrators to ensure that they have adequate and sufficient employment and payroll records to make calculations.

*\*From the IRS 401(k) Plan Fix-It Guide*

# STEP 03

## REVIEW YOUR OPERATIONAL COMPLIANCE

Continued...

### 05. ADP & ACP Tests

Has your plan satisfied the nondiscrimination tests (ADP & ACP)?

#### **Avoid the Mistake**

Communicate with plan administrator to ensure proper employee classification. Ensure both you and the plan administrator are familiar with the terms of the plan.

### 06. Exclusion Check

Were all eligible employees identified and given the opportunity to make an elective deferral election? (Exclusion of eligible employees)

#### **Avoid the Mistake**

Monitor census information and apply participation requirements.

### 07. Deferral Limits

Are elective deferrals limited to the amounts under IRC Section 402(g) for the calendar year and have any excess deferrals been distributed?

#### **Avoid the Mistake**

Work with plan administrators to ensure that the administrators have sufficient payroll information to verify that the deferral limitations of section 402(g) were satisfied.

### 08. Timely Deposits

Have you timely deposited employee elective deferrals?

#### **Avoid the Mistake**

Coordinate closely with payroll provider to determine the earliest date the deferrals deposit can reasonably be segregated from general assets and then set up procedures to ensure deposits are made by that date.

# STEP 03

## REVIEW YOUR OPERATIONAL COMPLIANCE

Continued...

### 09. Top Heavy Plans

If the plan was top-heavy, were the required minimum contributions made to the plan?

#### **Avoid the Mistake**

A top-heavy test should be performed each year.

### 10. Hardship Withdrawals

Were hardship distributions made properly?

#### **Avoid the Mistake**

Be familiar with the hardship provisions included in your plan document and implement procedures to ensure that the provisions are followed in operation. Ensure that the plan administrators and payroll offices share information regarding hardship distributions that are made from the plan.


### 11. Filing Requirements

Have you filed a Form 5500 series return and have you distributed a Summary Annual Report (SAR) to all plan participants this year?

#### **Avoid the Mistake**

Understand your filing requirements and know who filed and when. Don't assume someone is taking care of it for you.





The image shows a person's hands holding a smartphone. The phone screen displays a trading interface for BTC/USD, showing a price of 37,032.317 and a 24-hour change of -3.28%. The background features a laptop with a complex trading dashboard, including various charts and data tables. In the bottom left corner, there are several stacks of 100 US dollar bills. The person is wearing a grey sports watch on their left wrist and a silver metal bracelet on their right wrist.

# STEP 04 — SCHEDULE A PRUDENT PROCESS



# STEP 04

## SCHEDULE A

### PRUDENT PROCESS

The following calendar outlines key compliance dates for your plan (in green) and your scheduled process for addressing critical plan compliance tasks (in black.)

JANUARY	FEBRUARY	MARCH
<ul style="list-style-type: none"> <li>01/31: Deadline for sending Form 1099-R to participants who received distributions during the previous year</li> </ul>	<ul style="list-style-type: none"> <li>Annual Plan Review</li> <li>Review and Update IPS</li> <li>Quarter Investment Review Report Generated</li> <li>Review Operational Compliance</li> <li>02/14: Deadline for providing quarterly benefit statement and statement of fees to DC Plan participants</li> </ul>	
APRIL	MAY	JUNE
<ul style="list-style-type: none"> <li>04/01: Initial RMD is due to participants who reached their required beginning dates during the previous year</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Investment Review Report Generated</li> <li>Fiduciary Education Initiative</li> <li>Participant Education Initiative</li> <li>05/15: Deadline for providing quarterly benefit statement and statement of fees to DC Plan participants</li> </ul>	
JULY	AUGUST	SEPTEMBER
<ul style="list-style-type: none"> <li>07/28: Summary of Material Modifications (SMM) due to participants (unless included in timely updated SPD)</li> <li>07/31: Form 5550 due to IRS for plans with a Dec 31 plan year end</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Investment Review Report Generated</li> <li>Review Provider Services and Expenses</li> <li>Participant Education Initiative</li> <li>08/14: Deadline for providing quarterly benefit statement and statement of fees to DC Plan participants</li> </ul>	<ul style="list-style-type: none"> <li>08/30: Summary Annual Report (SAR) due to participants for plans with a Dec 31 plan year end date</li> </ul>
OCTOBER	NOVEMBER	DECEMBER
<ul style="list-style-type: none"> <li>10/01: Start of period to distribute annual notices to participants (401k safe harbor notice, ACA, QACA, QDIA)</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Investment Review Report Generated</li> <li>Review Participant Program &amp; Disclosure Requirements</li> <li>Participant Education Initiative</li> <li>11/14: Deadline for providing quarterly benefit statement and statement of fees to DC Plan participants</li> </ul>	<ul style="list-style-type: none"> <li>12/01: Final deadline to distribute annual notices to participants (401k safe harbor notice, ACA, QACA, QDIA)</li> <li>12/31: RMD is due to participants who reach their required beginning date prior to start of year</li> <li>12/31: Deadline to adopt discretionary amendments to the plan</li> </ul>



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