

Resources for: Defined Contribution Plan Fiduciaries

Required Reports & Notices

For Plan Sponsors- 2019



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A Focus on: Required Reports & Notices

The Purpose to this brochure is to assist you in identifying required reports, disclosure dates, and processes that are important to the prudent operation of your 401(k) Retirement plan.

There are over 130 reports and notices that apply to various types of retirement plans including Defined Benefit (DB) plans (i.e. Pensions), and Defined Contribution (DC) plans (i.e. 401(k) & Profit Sharing plans). Some reports and disclosures are required to be provided on a routine basis, such as annually or quarterly, but most are not routine—that is, they are required to be provided on a one-time basis when some type of triggering event occurs. This brochure focuses on the reports and Disclosures that need to be completed on a routine basis and is arranged chronically by month. Each month is organized into 3 three possible sections.

- 1) **Deadlines- (In Red)** Dates that reports & disclosures are required to be completed and submitted.
- 2) **A Prudent Process- (In Black)** Suggestions of items that your plan may want to monitor, address, and document.
- 3) **Planning Ahead- (In Orange)** Many tasks with deadlines are complex and take the cooperation of various parties. This section is designed to give you a reminder that you may want to begin organizing and preparing for an upcoming deadline.

These checklists and processes have been designed to assist you in meeting your responsibilities, as well as documenting a prudent process thereby helping to potentially mitigate your fiduciary risk.

The materials in this brochure have been created to serve as a resource in completing your plan’s reporting and required notice filings. As a firm specializing in consulting with corporate retirement plans, we would be happy to provide further information about your fiduciary duties, and help you understand how these checklists and processes can assist you in implementing prudent processes to help meet your fiduciary duties. In providing information about ERISA standards and responsibilities, you must remember that this is general information only and has been derived from sources believed to be accurate. You should consult your own attorney for specific legal questions on the application of ERISA to your plan.

The United States Government Accountability Office (GAO) identified more than 130 reports and disclosures stemming from provisions of the Employee Retirement Income Security Act of 1974.

These reports and disclosures are administered largely by three ERISA agencies:

- 1) The Department of Labor (DOL)
- 2) The Internal Revenue Service (IRS)
- 3) The Pension Benefit Guaranty Corporation (PBGC).

“Although each plan sponsor is required to submit only certain of these reports and disclosures, determining which ones can be challenging and the agencies’ online resources to aid plan sponsors with this task are neither comprehensive nor up-to-date.” – GAO Report to Congressional Requesters titled: “Clarity of Required Reports and Disclosures Could Be Improved”

(November 2013) <http://www.gao.gov/products/GAO-14-92>

Overview of the “Prudent Process”

Annually- Review plan definition of eligible compensation and compare to payroll practices. Review process with all associated with the payroll process. (January)

Annually- Issue a reminder memo or email to all employees to encourage them to review and update, if necessary, their beneficiary designations for all benefit plans in which they are covered. (January)

Annually- Update the plan’s ERISA fidelity-bond coverage to reflect the plan’s assets as of December 31 (calendar-year plans). Remember that if the plan holds employer stock, bond coverage is higher than for non-stock plans. (February)

Annually- Update Company’s First Party Fiduciary Insurance- Review exclusions. (February)

Annually- Update documentation of all discretionary third party service providers ERISA Investment Bond coverage. (February)

Annually- Review and revise the roster of all plan fiduciaries and confirm each individual’s responsibilities and duties to the plan in writing. Ensure that all fiduciary understands their obligations to the plan. (February)

Annually- Check bulletin boards and display racks to make sure that posters and other plan materials are conspicuously displayed and readily available to employees, and that this information is complete and current. (March)

Annually- Perform a thorough annual review of the Plan’s Summary Plan Description (SPD) and other enrollment and plan materials to verify that all information is accurate and current, and identify cases in which revisions are necessary.(May)

Annually- Confirm that participants who terminated employment prior to September have elected a distribution option for their plan account balance and returned their election form. For vested account balances under \$5,000 initiate force out protocol- (September)

Annually- For calendar-year safe harbor plans, issue the required notice to employees during October or November (within 30 to 90 days of the beginning of the plan year to which the safe harbor applies). Also, within the same period, distribute the appropriate notice if the plan features an EACA (Eligible Automatic Contribution Arrangement), QACA (Qualified Automatic Contribution Arrangement) and/or QDIA (Qualified Default Investment Alternative). (October)

Annually- Conduct a campaign to encourage participants to review and, if necessary, update their mailing addresses to ensure their receipt of Form 1099- , which is mailed in January for reportable plan transactions in 2019. (November)

Annually-Check current editions of enrollment materials, fund prospectuses and other plan information that are available to employees to ensure that they are up-to-date. (November)

Annually-Issue a payroll stuffer or other announcement to employees to publicize the plan’s advantages and benefits, and any plan changes becoming effective in January. (December)

Semi-Annually- Send payroll and employee census data to the plan’s recordkeeper for plan compliance testing (calendar- year plans). (January & August)

Semi-Annually- Conduct an audit of participant loans granted during the final six months of the previous year. Check all loans for delinquent payments and verify that repayment terms and amounts borrowed do not violate legal limits, or plan document. (Jan, Jul)

Semi-Annually- Review plan operations to determine if any qualification failures or operational violations occurred during the first half of the calendar year. If a failure or violation is found, consider using an Internal Revenue Service or Department of Labor self-correction program to resolve it. (Jun, Dec)

Quarterly- Confirm participant contributions derived from eligible forms of compensation as defined in plan the document. (Jan, Apr, Jul, Oct)

Quarterly- Conduct a review of previous-quarter payroll and plan deposit dates to ensure compliance with the Department of Labor’s rules regarding timely deposit of participant contributions and loan repayments. (Jan, Apr, Jul, Oct)

Quarterly- Verify that employees who became eligible for the plan between October 1 and December 31 received and returned an enrollment form. Follow up on forms that were not returned. If auto enroll plan, verify all newly eligible participants were auto enrolled unless employee opted out, document findings. (Jan, Apr, Jul, Oct)

Quarterly- Confirm that participants who terminated employment between July 1 and December 31 elected a distribution option for their plan account balance and returned their election form. For vested account balances under \$5,000 initiate force out protocol- (Feb, May, Aug, Nov)

Consult your plan’s financial, legal or tax advisor regarding these and other items that may apply to your plan

January:

Deadline: (Immediate Attention Required)

- January 31:** Deadline for mailing 1099-R Forms (copies 1, B and C) to plan participants/ beneficiaries who received plan distributions in 2018.

Implementing a Prudent Process: (Document all Actions)

- Send payroll and employee census data to the plan's recordkeeper for plan year-end compliance testing (calendar- year plans).
- Review plan definition of eligible compensation and compare to payroll practices. Review process with all associated with the payroll process.
- Confirm participant contributions derived from eligible forms of compensation as defined in plan the document.
- Conduct a review of fourth-quarter payroll and plan deposit dates to ensure compliance with the Department of Labor's rules regarding timely deposit of participant contributions and loan repayments.
- Conduct an audit of participant loans granted during the final six months of the previous year. Check all loans for delinquent payments and verify that repayment terms and amounts borrowed do not violate legal limits, or plan document.
- Verify that employees who became eligible for the plan between October 1 and December 31 received and returned an enrollment form. Follow up on forms that were not returned. If auto enroll plan, verify all newly eligible participants were auto enrolled unless employee opted out, document findings.
- Issue a reminder memo or email to all employees to encourage them to review and update, if necessary, their beneficiary designations for all benefit plans in which they are covered.

February:

Deadline: (Immediate Attention Required)

- February 15:** Deadline for distributing 12/31/18 quarterly Benefit/Disclosure Statements to plan participants/beneficiaries.
- February 28:** Deadline for IRS filing 1099-R Forms- (Hard Copy A), reflecting 2018 plan distributions. March 31 is the deadline if the forms are being filed electronically.

Implementing a Prudent Process: (Document all Actions)

- Update the plan's ERISA fidelity-bond coverage to reflect the plan's assets as of December 31 (calendar-year plans). Remember that if the plan holds employer stock, bond coverage is higher than for non-stock plans.
- Update Company's First Party Fiduciary Insurance- Review exclusions.
- Update documentation of all discretionary third party service providers ERISA Investment Bond coverage.
- Review and revise the roster of all plan fiduciaries and confirm each individual's responsibilities and duties to the plan in writing. Ensure that all fiduciary understands their obligations to the plan.
- Confirm that participants who terminated employment between July 1 and December 31 elected a distribution option for their plan account balance and returned their election form. For vested account balances under \$5,000 initiate force out protocol
- Review 2nd Quarter 2019 for upcoming eligibility of new employees. Prepare and document notification & enrollment process. (QACA/ manual enrollment process, must document distribution of all required notices at least 30 days prior to eligibility. i.e. QDIA Notice,)

March:

Deadlines: (Immediate Attention Required)

- March 1:** Deadline for participants to notify plan sponsors that they made deferrals to more than one unrelated 401(k) plan in 2018.
- March 15:** Deadline for remitting excise taxes to the IRS for failing to make timely corrections to the failed 2018 plan year ADP/ACP test.
- March 15:** Deadline for non EACA plans to process corrective distributions to participants due to failed 2018 ACP/ADP test (without 10% plan sponsor excise tax).
- March 15:** Tax-filing deadline for C Corporation (IRS form 1120) & Tax-filing deadline S Corporation (IRS form 1120) and schedule K-1.
- March 31:** Deadline for electronic filing of IRS 1099-R Forms.
- March 31:** Deadline corporations making employer contributions due for the 2018 plan year, (unless corporate tax return extension is filed).

Implementing a Prudent Process: (Document all Actions)

- Check bulletin boards and display racks to make sure that posters and other plan materials are conspicuously displayed and readily available to employees, and that this information is complete and current.

Planning ahead: (Upcoming Tasks & Deadlines)

- Begin planning for the timely completion and submission of the plan's Form 5500 and, if a plan audit is required in connection with the Form 5500, make arrangements with an independent accountant/auditor for the audit to be completed before the Form 5500 due date a plan audit (July 31st calendar- year plans). Consider, if appropriate, the Department of Labor's small-plan audit waiver requirements.
- Prepare for April 1st Deadline to begin Required Minimum Distributions (RMDs)for participants who reached age 70½, or retired after reaching 70½ in (2018)

Consult your plan's financial, legal or tax advisor regarding these and other items that may apply to your plan

April:

Deadline: (Immediate Attention Required)

- April 1:** Deadline to begin Required Minimum Distributions (RMDs) for Owner or Non-Employee participants who in **2018** reached age 70½ or retired after reaching 70½.
- April 15:** Deadline for a sole proprietorship making employer contributions due for the **2018** plan year, (unless tax return extension is filed).
- April 15:** Deadline for processing excess deferral corrective 402(g) distributions to participants from prior year.

Implementing a Prudent Process: (Document all Actions)

- Conduct a review of first-quarter payroll and plan-deposit dates to ensure compliance with the Department of Labor's rules regarding timely deposit of participant contributions and loan repayments.
- Confirm participant contributions derived from eligible forms of compensation as defined in plan the document.
- Verify that employees who became eligible for the plan between Jan 1 and March 31 received and returned an enrollment form. Follow up on forms that were not returned. If auto enroll plan, verify all newly eligible participants were auto enrolled unless employee opted out, document findings.

Planning ahead: (Upcoming Tasks & Deadlines)

- If a plan audit is required in connection with the Form 5500, make arrangements with an independent accountant/auditor for the audit to be completed before the Form 5500 due date. (Calendar year plans- Due Date July 31 without extension)

May:

Deadline: (Immediate Attention Required)

- May 16:** Deadline for distributing **3/31/19** quarterly Benefit/Disclosure Statements to participants/ beneficiaries.

Implementing a Prudent Process: (Document all Actions)

- Perform a thorough annual review of the Plan's Summary Plan Description (SPD) and other enrollment and plan materials to verify that all information is accurate and current, and identify cases in which revisions are necessary.
- Review 3rd Quarter **2019** for upcoming eligibility of new employees. Prepare and document notification & enrollment process. (QACA/ manual enrollment process, must document distribution of all required notices)

Planning ahead: (Upcoming Tasks & Deadlines)

- Monitor the status of the completion of Form 5500, and, if required, a plan audit. (Calendar year plans deadline July 31)

June:

Deadline: (Immediate Attention Required)

- June 30:** Deadline for processing **2018** EACA corrective ADP/ACP test distributions to participants (without 10% plan sponsor excise tax).

Implementing a Prudent Process: (Document all Actions)

- Review plan operations to determine if any qualification failures or operational violations occurred during the first half of the calendar year. If a failure or violation is found, consider using an Internal Revenue Service or Department of Labor self-correction program to resolve it.

Planning ahead: (Upcoming Tasks & Deadlines)

- Begin planning an internal audit of participant loans granted during the first six months of the year. Check all loans for delinquent payments and verify that repayment terms and amounts borrowed do not violate legal limits, or plan document.
- Confirm that Form 5500, and plan audit if required, will be completed prior to the filing deadline or that an extension of time to file will be necessary. (Calendar year plans- Due Date July 31 without extension)
- Begin planning to update and distribute Summary of Material Modifications (SMM) to participants & beneficiaries, if plan was amended in previous plan year. (Deadline July 29)

Consult your plan's financial, legal or tax advisor regarding these and other items that may apply to your plan

July:

Deadline: (Immediate Attention Required)

- July 29:** Deadline for distributing Summary of Material Modifications (SMM) to participants & beneficiaries, if plan was amended in **2018**.
- July 31:** Deadline for filing IRS/ DOL Form 5500 with accompanying schedules, (unless extension request is filed).

Implementing a Prudent Process: (Document all Actions)

- Conduct an audit of participant loans granted during the first six months of the year. Check all loans for delinquent payments and verify that repayment terms and amounts borrowed do not violate legal limits, or plan document.
- Conduct a review of second-quarter payroll and plan-deposit dates to ensure compliance with the Department of Labor's rules regarding timely deposit of participant contributions and loan repayments.
- Confirm participant contributions derived from eligible forms of compensation as defined in plan the document.
- Verify that employees who became eligible for the plan between April 1 and June 30 received and returned an enrollment form. Follow up for forms that were not returned. If auto enroll plan, verify all newly eligible participants were auto enrolled unless employee opted out, document findings.

Planning ahead: (Upcoming Tasks & Deadlines)

- Begin contacting and obtaining 404(5)(a) Statements for participants/ beneficiaries from all Service Providers expected to receive at least \$1,000 in . (Unless the plan had previously adjusted the annual distribution from the original August 30, 2012 deadline.)

August:

Deadline: (Immediate Attention Required)

- August 15:** Deadline for distributing **6/30/19** quarterly Benefit/Disclosure Statements to participants/ beneficiaries.
- August 30:** Deadline for distributing Participant Fee Disclosures 404(5)(a) Statements to participants/ beneficiaries. (Unless the plan had previously adjusted the annual distribution from the original August 30, 2012 deadline.)

Implementing a Prudent Process: (Document all Actions)

- Submit employee census and payroll data to the plan's record-keeper for mid-year compliance testing (calendar-year plans).
- Review 4th Quarter **2019** for upcoming eligibility of new employees. Prepare and document notification & enrollment process. (QACA/ manual enrollment process, must document distribution of all required notices)

Planning ahead: (Upcoming Tasks & Deadlines)

- Begin preparing for the distribution of the plan's Summary Annual Report to participants and beneficiaries by September 30, unless a Form 5500 extension of time to file applies (calendar-year plans).

September:

Deadlines: (Immediate Attention Required)

- September 15:** Extended deadline for filing corporate tax return, and corresponding extended deadline for making employer contributions due for the **2018** plan year.
- September 30:** Deadline for distributing the **2018** Summary Annual Report (SAR) to participants/ beneficiaries, (unless extension for IRS/DOL Form 5500 was filed) (For Calendar Year Plans, other wise 9 months after the plan year or 2 months after due date for filing 5500 (with approved extension)).

Implementing a Prudent Process: (Document all Actions)

- Confirm that participants who terminated employment prior to September have elected a distribution option for their plan account balance and returned their election form. For vested account balances under \$5,000 initiate force out protocol

Planning ahead: (Upcoming Tasks & Deadlines)

- Begin preparing the applicable safe harbor notices to employees, and plan for distribution of the notices between October 2 and December 2 (calendar-year plans).

Consult your plan's financial, legal or tax advisor regarding these and other items that may apply to your plan

October:

Deadline: (Immediate Attention Required)

- October 15:** Extended deadline for filing individual or partnership tax return, and corresponding extension deadline for making plan sponsor contributions due for the **2018** plan year.
- October 15:** Extended deadline for filing IRS/DOL Form 5500 with accompanying schedules unless extension request is filed.

Implementing a Prudent Process: (Document all Actions)

- Conduct a review of third-quarter payroll and plan deposit dates to ensure compliance with the Department of Labor's rules regarding timely deposit of participant contributions and loan repayments.
- Confirm participant contributions derived from eligible forms of compensation as defined in plan the document.
- Verify that employees who became eligible for the plan between July 1 and September 30 received and returned an enrollment form. Follow up for forms that were not returned. If auto enroll plan, verify all newly eligible participants were auto enrolled unless employee opted out, document findings.
- For calendar-year safe harbor plans, issue the required notice to employees during October or November (within 30 to 90 days of the beginning of the plan year to which the safe harbor applies). Also, within the same period, distribute the appropriate notice if the plan features an EACA (Eligible Automatic Contribution Arrangement), QACA (Qualified Automatic Contribution Arrangement) and/or QDIA (Qualified Default Investment Alternative).

November:

Deadline: (Immediate Attention Required)

- November 15:** Deadline for distributing **9/30/19** quarterly Benefit/Disclosure Statements to participants/beneficiaries.

Implementing a Prudent Process: (Document all Actions)

- Conduct a campaign to encourage participants to review and, if necessary, update their mailing addresses to ensure their receipt of Form 1099- , which is mailed in January for reportable plan transactions in **2020**.
- Check current editions of enrollment materials, fund prospectuses and other plan information that are available to employees to ensure that they are up-to-date.
- Review 1st Quarter **2020** for upcoming eligibility of new employees. Prepare and document notification & enrollment process. (QACA/ manual enrollment process, must document distribution of all required notices)

Planning ahead: (Upcoming Tasks & Deadlines)

- Prepare to issue a payroll stuffer or other announcement to employees to publicize the plan's advantages and benefits, and any plan changes becoming effective in January.
- Prepare for December 1st deadline for distributing annual EACA, QACA, QDIA and Safe Harbor notices to participants/beneficiaries.

December:

Deadline: (Immediate Attention Required)

- December 1:** Deadline for distributing annual EACA, QACA, QDIA and Safe Harbor notices to participants/beneficiaries.
- December 15:** Extended deadline for distributing the **2018** Summary Annual Report (SAR) to participants/ beneficiaries.
- December 31:** Deadline for processing corrective distributions due to failed **2018** ADP/ACP test (with 10% plan sponsor excise tax).
- December 31:** Deadline for prospective amendment removing Safe Harbor status for **2020**.

A Prudent Process: (Document all Actions)

- Issue a payroll stuffer or other announcement to employees to publicize the plan's advantages and benefits, and any plan changes becoming effective in January.
- Review plan operations to determine if any ERISA or tax- qualification violations occurred during the year, and if using an IRS or Department of Labor self-correction program would be appropriate.

Planning ahead: (Upcoming Tasks & Deadlines)

- Prepare to send year-end payroll and updated census data to the plan's record keeper in January for year-end compliance testing (calendar-year plans)
- Prepare to ensure all **2019** 1099-R forms are mailed to participants/beneficiaries by January 31, **2020**
- Begin planning an internal audit of participant loans granted during the second six months of the year. Check all loans for delinquent payments and verify that repayment terms and amounts borrowed do not violate legal limits, or plan document.

1. Compliance Calendar 2019

There are a number of plan compliance activities that are date-sensitive. This calendar lists the key deadlines for calendar year plans only. If your plan is not a calendar year plan, other dates and considerations would apply.

January	February	March	April
<p>January 31: Deadline for mailing 1099-R Forms to plan participants/beneficiaries who received plan distributions in 2018.</p>	<p>February 15: Deadline for distributing <i>December 31st, 2018</i> quarterly Benefit/Disclosure Statements to plan participants/beneficiaries.</p> <p>February 28: Deadline for IRS filing of hard 1099-R Forms, reflecting 2018 plan distributions. March 31 is the deadline if the forms are being filed electronically.</p>	<p>March 1: Deadline for participants to notify plan sponsors that they made deferrals to more than one unrelated 401(k) plan in 2018.</p> <p>March 15: Deadline for remitting excise taxes to the IRS for failing to make timely corrections to the failed 2018 plan year ADP/ACP test.</p> <p>March 15: Deadline for non EACA plans to process corrective distributions to participants due to failed 2018 ACP/ADP test (without 10% plan sponsor excise tax).</p> <p>March 31: Deadline for electronic filing of IRS 1099-R Forms.</p> <p>March 31: Deadline corporations making employer contributions due for the 2018 plan year, (unless corporate tax return extension is filed).</p>	<p>April 1: Deadline to begin Required Minimum Distributions (RMDs) for Owner, or Non-Employee participants who in 2018 reached age 70½ or retired after reaching 70½.</p> <p>April 15: Deadline for a sole proprietorship making employer contributions due for the 2018 plan year, (unless tax return extension is filed).</p> <p>April 15: Deadline for processing excess deferral corrective 402(g) distributions to participants from prior year.</p>
May	June	July	August
<p>May 16: Deadline for distributing <i>March 31, 2019</i> quarterly Benefit/Disclosure Statements to participants/beneficiaries.</p>	<p>June 30: Deadline for processing 2018 EACA corrective ADP/ACP test distributions to participants (without 10% plan sponsor excise tax).</p>	<p>July 29: Deadline for distributing Summary of Material Modifications (SMM) to participants/beneficiaries, if plan was amended in 2018.</p> <p>July 31: Deadline for filing IRS/DOL Form 5500 with accompanying schedules, (unless extension request is filed).</p>	<p>August 15: Deadline for distributing <i>June 30th, 2019</i> quarterly Benefit/Disclosure Statements to participants/beneficiaries.</p>
September	October	November	December
<p>September 15: Extended deadline for filing corporate tax return, and corresponding extended deadline for making employer contributions due for the 2018 plan year.</p> <p>September 30: Deadline for distributing the 2018 Summary Annual Report (SAR) to participants/beneficiaries, (unless extension for IRS/DOL Form 5500 was filed).</p>	<p>October 15: Extended deadline for filing individual or partnership tax return, and corresponding extension deadline for making plan sponsor contributions due for the 2018 plan year.</p> <p>October 15: Extended deadline for filing IRS/DOL Form 5500 with accompanying schedules unless extension request is filed.</p>	<p>November 15: Deadline for distributing <i>September 30th, 2019</i> quarterly Benefit/Disclosure Statements to participants/beneficiaries.</p>	<p>December 1: Deadline for distributing annual EACA, QACA, QDIA and Safe Harbor notices to participants/beneficiaries.</p> <p>December 15: Extended deadline for distributing the 2018 Summary Annual Report (SAR) to participants/beneficiaries.</p> <p>December 31: Deadline for processing corrective distributions due to failed 2018 ADP/ACP test (with 10% plan sponsor excise tax).</p> <p>December 31: Deadline for prospective amendment removing Safe Harbor status for 2020.</p>



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