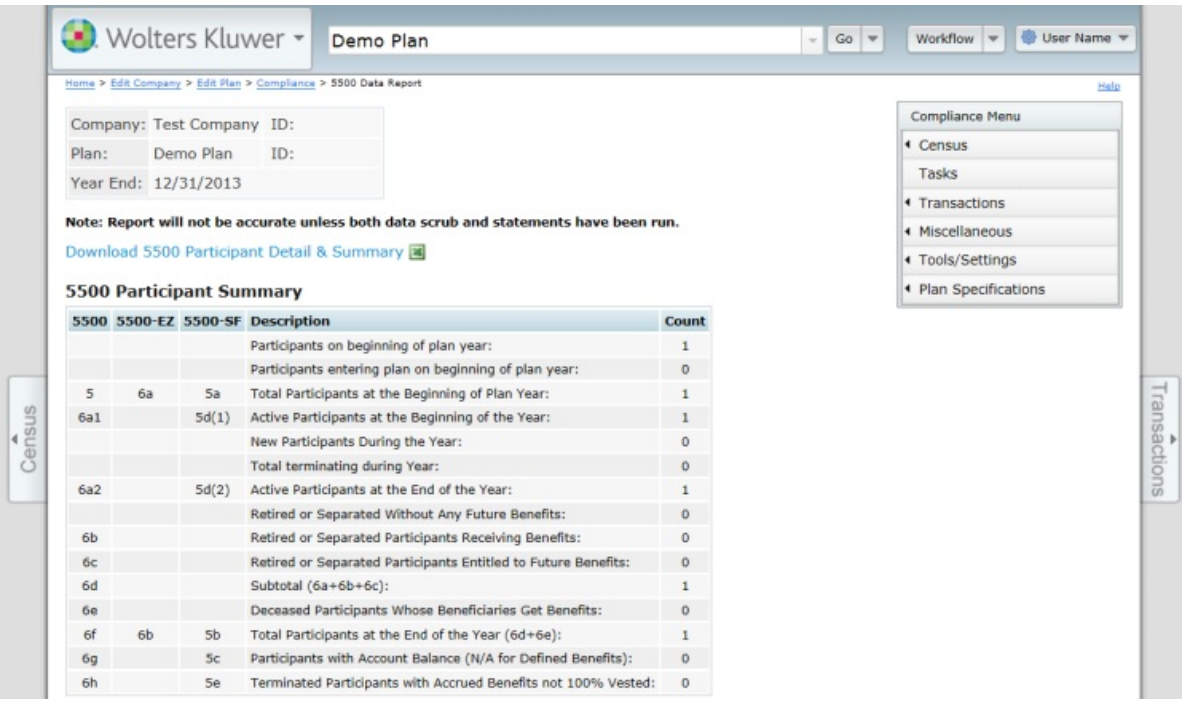
Part 8: Miscellaneous Tasks

10/29/2024 4:31 pm CDT

8.1. 5500 Data Report

Clicking the 5500 Data Report option will provide information for the participant count fields for the plan's Form 5500/5500-SF/5500-EZ. The 5500 Participant Summary grid provides the actual numbers.



5500 Participant Summary

5500	5500-EZ	5500-SF	Description	Count
			Participants on beginning of plan year:	1
			Participants entering plan on beginning of plan year:	0
5	6a	5a	Total Participants at the Beginning of Plan Year:	1
6a1		5d(1)	Active Participants at the Beginning of the Year:	1
			New Participants During the Year:	0
			Total terminating during Year:	0
6a2		5d(2)	Active Participants at the End of the Year:	1
			Retired or Separated Without Any Future Benefits:	0
6b			Retired or Separated Participants Receiving Benefits:	0
6c			Retired or Separated Participants Entitled to Future Benefits:	0
6d			Subtotal (6a+6b+6c):	1
6e			Deceased Participants Whose Beneficiaries Get Benefits:	0
6f	6b	5b	Total Participants at the End of the Year (6d+6e):	1
6g		5c	Participants with Account Balance (N/A for Defined Benefits):	0
6h		5e	Terminated Participants with Accrued Benefits not 100% Vested:	0

When you click the "Download 5500 Participant Detail & Summary" link you will see a list of all the participants in the plan with indicators as to whether they are eligible, active, have a balance etc. Below is a description of how the 5500 counts are determined in the 5500 data report.

- Part at BOY: Anyone with a vested balance on the last day of the prior plan year except where the only balance is unrelated rollovers and the employee in not eligible to participate plus any active participants as of the last day of the prior plan year (Date of Entry prior to the first day of the plan year being reported) with eligibility = Yes.
- Part Enter at BOY: Anyone who enters the plan the first day of the plan year being reported.
- Total Part BOY: Anyone in Part at BOY or Part Enter at BOY who has a 1 = 1. (5500 Line 5, 5500-EZ Line 6a(1), 5500-SF Line 5a)
- Active Part BOY: Any active participant (eligibility = Yes) at the beginning of the year plus any active excludable participant at BOY with a vested balance except where the only balance is unrelated rollovers. (5500 Line 6a(1), 5500-EZ 6a(2), 5500-SF Line 5d(1))
- Enter During: Anyone who has an entry date after the first day of the plan year being reported with eligibility = Yes.
- Term During: Any participant in Active Part BOY or Enter During whose status is terminated/retired/disabled/death with a termination date during the plan year being reported.
- Active EOY: If the participant has 1 in Active Part BOY or Enter During equals 1 then 1. Else, if the participant has a 1 in Term During equals null. (5500 Line 6a(2), 5500-EZ Line 6b(2), 5500-SF Line 5d(2))
- Ret or Sep w/o benefits: Participant status equals terminated/retired/disabled with a termination date

during the plan year being reported and a zero vested balance.

- Ret or Sep rec benefits: Participant status equals terminated/retired/disabled with a termination date during the plan year being reported and participant is receiving installments or took a partial distribution and has a remaining vested balance. (5500 line 6b)
- Ret or Sep entitled to future benefits: Participant status equals terminated/retired/disabled with a termination date during the plan year being reported with a vested balance and did not take an installment or partial distribution during the plan year. (5500 line 6c)
- Subtotal: If Active EOY, Ret or Sep rec benefits, Ret or Sep rec benefits or Ret or Sep entitled to future benefits equals 1 then 1. (5500 line 6d)
- Deceased part-bene rec benefits: Any deceased participant code Death in the census with a vested balance. (5500 Line 6e)
- Tot EOY: If Subtotal or Deceased part-bene rec benefits equal 1 then 1.(5500 Line 6f, 5500-EZ Line 6b(1), 5500-SF Line 5b)
- Part w/acct bal: Anyone with a vested balance at the end of the year except where the only balance is unrelated rollovers. (5500 Line 6g, 5500-SF Line 5c)
- Term w/accrued ben not 100% vested: Anyone terminated/retired/disabled with a termination date during the plan year who had a vested balance, except where the only balance was unrelated rollovers, which was not 100% vested. (5500 Line 6h, 5500-EZ 6c, 5500-SF Line 5e)

If you are comfortable with the data you can use it to populate the appropriate fields on the 5500. When you open Form 5500/5500-SF or EZ on ftwilliam.com you will see a button “Populate Line 5 & 6 from Compliance” (or just Line 5 for 5500SF or Line 6 for 5500-EZ). Clicking this button will populate the fields.

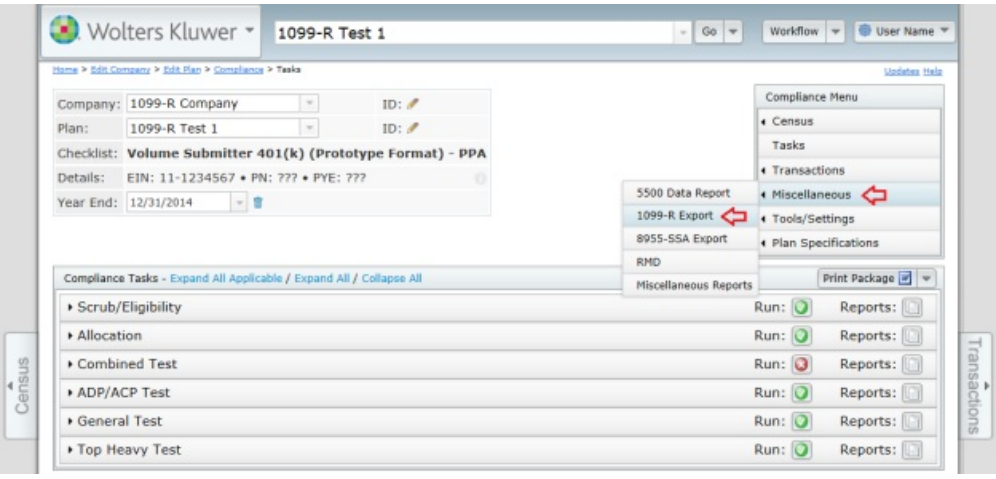
8.2. 1099-R Export Menu

The 1099-R Export enables users to calculate data pertinent to the Form 1099-R and export that data directly from the Compliance module to the 1099 System.

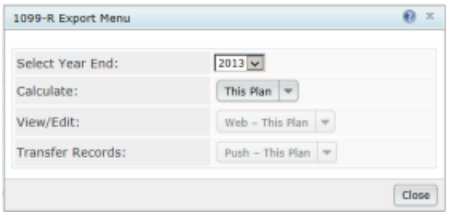
The system uses the following data to determine who and what data should be transferred to the 1099-R (as applicable):

- Participant distributions (in Transaction Menu)
- Participant’s date of birth
- Participant’s address

From the Compliance Menu, select Miscellaneous, and click 1099-R Export to begin.



The 1099-R Export Menu has three menu options; calculate, view/edit and transfer the 1099-R records. You must run the calculation option before the “View/Edit” and “Transfer Records” options become available.



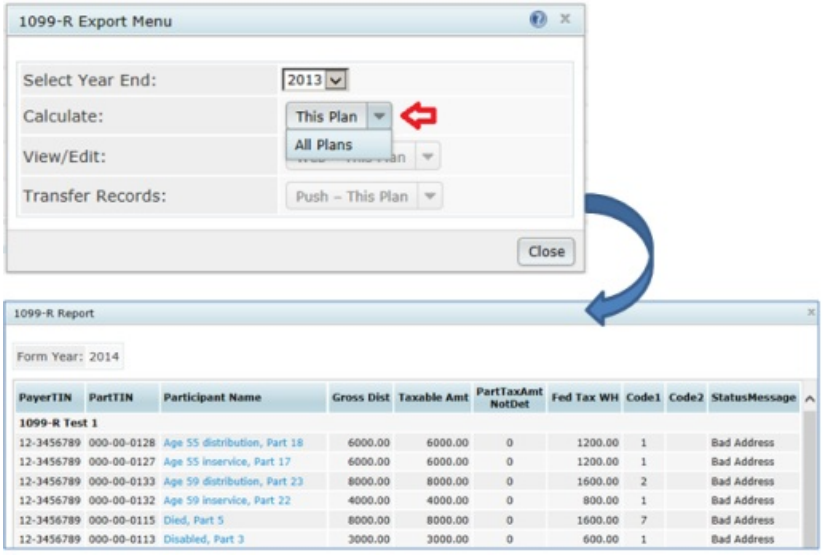
Calculate 1099-R Transfer Records

Select Calendar Year End

The Calendar Year End that the user selects determines the Form 1099-R that the data will be exported to. The participant distribution information is also taken from this year.

Calculate for This Plan/All Plans

A user with administrator rights will have the option to run the calculation for either “This Plan” or “All Plans”. Users that do not have administrator rights will only see the option to calculate for “This Plan”. Pressing “This Plan” or “All Plans” next to the Calculate option will first calculate transfer records based on distribution transactions posted in the system. Then the system will print the results and create transfer records with applicable data to populate the fields in the 1099-R. These results will appear in a popup window for your review.



Please Note: Any existing 1099-R transfer records for the plan or globally (as selected by user) will be overwritten when new transfer records are created. This means that if you made edits to the data from within the 1099-R export menu, those changes will be lost each time you press the Calculate button.

The distribution codes and withholding percentages are determined by the system as follows:

Distribution Code	Transaction Type	Age Condition
1	Distribution or In-service	59 ½ or younger*
2	Distribution	Less than 59 ½ and greater than age 55.

7	Distribution or In-service	Greater than 59 ½.
8	ADP/ACP Correction	
L	Loan Default	
B	Any distribution type of Roth or Roth Rollover sources	

*If the distribution is taken in the year the participant attains age 59 ½, user must review the code selection and edit as applicable.

Withholding %	Distribution Type
20%	Distribution; In-service
10%	ADP/ACP Corrections
0%	Loan Default

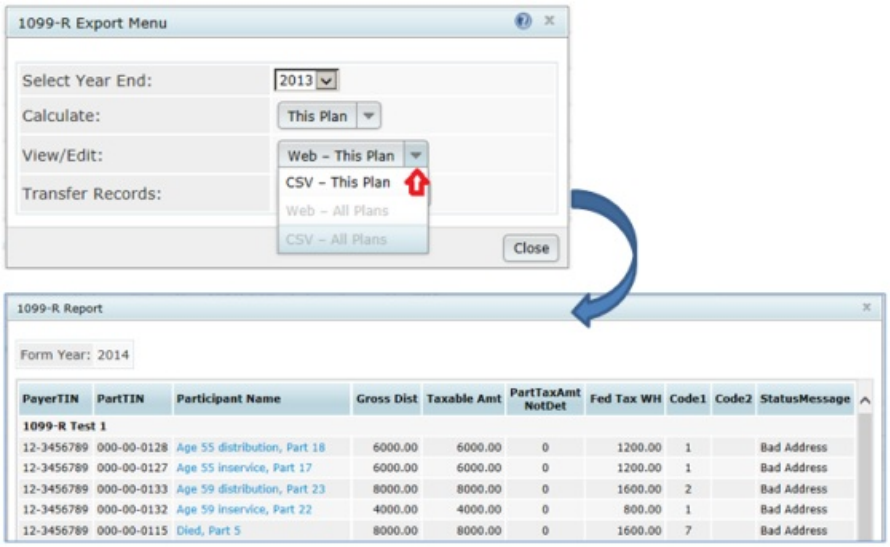
* Withholding amount is based on distribution amount and withholding percentage. Withholding percentage is based on distribution type as shown above.

View/Edit 1099-R Transfer Records

The View/Edit option prints all 1099-R Transfer records, either for the current plan or for all plans and either within a web page or a csv file as selected by user.

If a CSV option is selected the system will print the results to a csv (excel) file for the user to review.

If one of the Web option is selected the system will direct the user to the results page online. The page will contain all a list of all participants with 1099-R records for the calendar year selected. There is a link for each participant's record. Clicking on a link permits the user to edit data in the 1099-R Transfer records for that participant. Please note that any data that you change here is temporary and will not be reflected in the Compliance master records for that participant. As such, once you close the 1099-R Export Menu, the data that you changed is erased. It is suggested that you enter information such as address data in the compliance software by using a supplemental grid if you want this data to "stick".



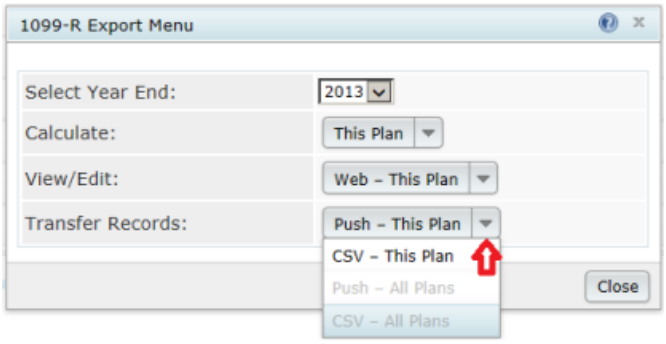
Transfer Records to 1099-R Module

Next to the transfer records task, the user has the option to either "Push" the records directly to the 1099-R or print the records to a "CSV" file. This can be done for "This Plan" or "All Plans", again depending on individual user rights.

Selecting "Push" transfers all calculated 1099-R data to the 1099 module, either for "This Plan" or for "All Plans" as selected by user. If there is existing data already in the form all data will be replaced. If there is no prior 1099-R, the system creates one.

Selecting "CSV" prints the results to a csv (excel) file. This file can then be uploaded into the system.

**Warning: If you have completed any 1099-R's you may not want to Transfer 1099-R Data for all plans as this will overwrite all 1099-R's previously completed!



8.3. 8955-SSA Export Menu

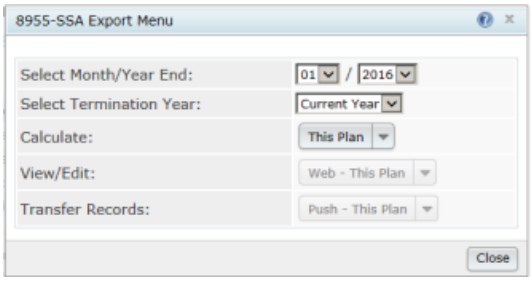
The 8955-SSA Export Menu enables users to calculate data pertinent to the Form 8955-SSA and export that data directly from the Compliance Menu to the 5500 System.

The system uses the following data to determine who should be on the SSA (as applicable):

- Participant's termination date
- Participant's vested account balance (statements must be run for the account balance to be recognized)
- Participant forfeitures/distributions (from the Transaction/Statement Menu)

Click the "8955-SSA Export" option from the Compliance Menu under Miscellaneous Tasks. Here you will have the

option to create SSA transfer records, view/edit SSA transfer records and transfer the SSA data.



Select Plan Month/Year End

The Plan Month/Year End that the user selects determines the Form 8955-SSA that the data will be exported to. The participant account balance information is also taken from the same year from the Compliance software. Please note that if the plan year end is a fiscal year end, the current year will only be available if the month selected is less than or equal to the current month in the year. For example, if today were 9/24/2013, users will only be able to select months 1-9 in 2013. If months greater than 9 (10-12) were selected, the 2013 year will not appear as an option.

Select Termination Year

If "Current Year" is selected, the Entry Codes for Page 2, Part III, column (a) will be determined as follows:

- Code A: Participants with a vested balance that terminated in the current year in which the Form 8955-SSA is being filed.
- Code D: Participants that terminated in any prior year and distributed/forfeited entire balance in current year.
- None: Participants whose entire balance has been forfeited/distributed in the current year and who were rehired during the current year. These participants will not be exported to the Form 8955-SSA.

If "Prior Year" is selected, the Entry Code for Page 2, Part III, column (a) will be determined as follows:

- Code A: Participants with a vested balance that terminated in the year prior to the year in which the Form 8955-SSA is being filed.
- Code D: Participants that terminated two years or more prior to the year in which the Form 8955-SSA is being filed and distributed/forfeited entire balance in the current year.
- None: Participants whose entire balance has been forfeited/distributed in the current or prior year and who were rehired in the current year. These participants will not be exported to the Form 8955-SSA.

*If prior year was a conversion year all results must be reviewed with care.

*A "year" is defined as the 12 month period that precedes the month/year the user selected above.

Calculate for This Plan/Calculate for All Plans

With the click of a button, this menu option will first calculate transfer records based on service history and transactions posted in the system. Then the system will print the results and create transfer records with the following information either for a single plan or for all plans as selected by user:

- Entry Code
- Annuity Type – System will default the annuity type to code A. Will only transfer if the entry code is set to A or B.
- Payment Frequency– System will default the annuity frequency to code A. Will only transfer if the entry code is set to A or B.
- Participant Name

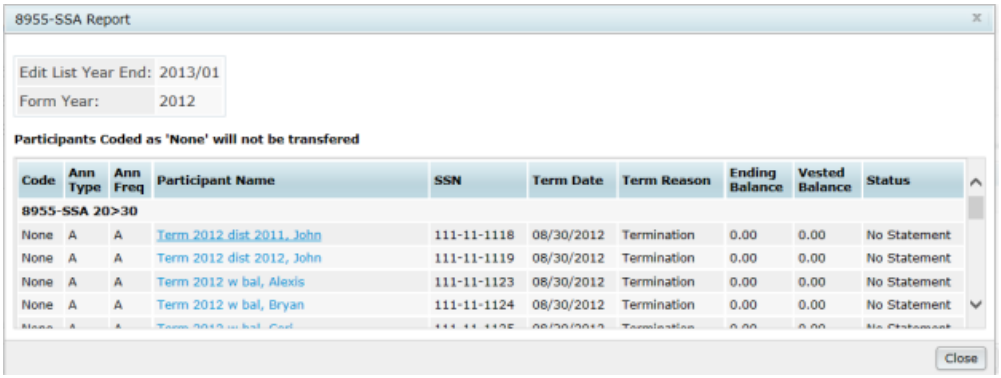
- Social Security Number
- Termination Date
- Termination Reason
- Ending balance
- Vested balance - Will only transfer if the entry code is set to A or B.
- Status - Status messages will be shown here (e.g. no statements, rehire date, or OK)

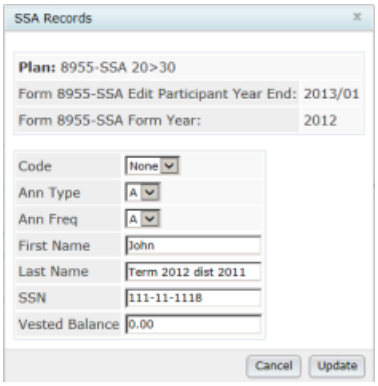
Please Note: Any existing SSA transfer records for the plan or for all plans (as selected by user) will be overwritten when new transfer records are created.

View/Edit

If the csv file option is selected, the system prints all SSA Transfer records to a csv (excel) file, either for a single plan or for all plans as selected by user.

If the web page option is selected, the system prints all SSA Transfer records, either for a single plan or for all plans as selected by user to a web page for the user to review. This option also permits the user to edit all data in the SSA Transfer records for that participant by clicking the link available in each record. When editing data, please be sure to click the update button in the edit screen to save your changes then press the refresh button in the 8955-SSA list to view changes.





Transfer Records

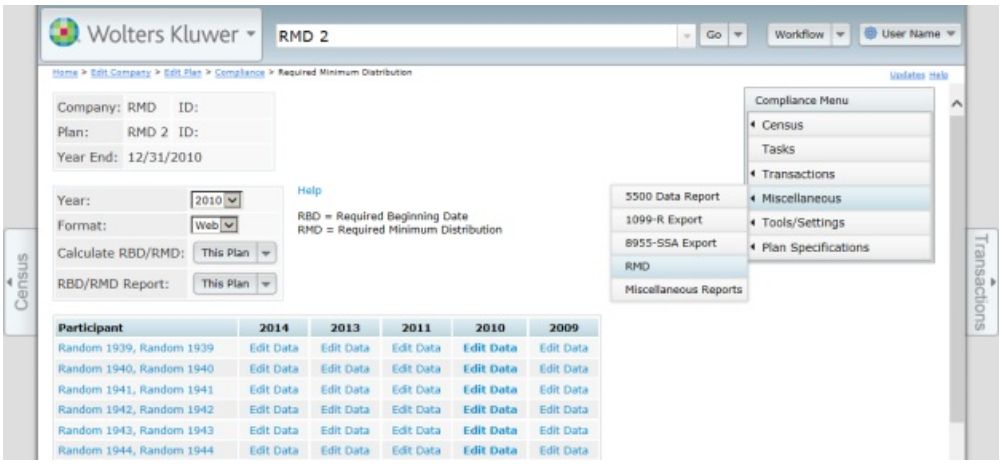
If the csv file option is selected, the system will print the results to a csv (excel) file. This file can then be uploaded into the system. Please refer to the 8955-SSA instructions for additional information for uploading this data.

Choosing Push transfers all calculated SSA data to the 5500 system with the push of a button, either by plan or for All Plans as selected by user. If there is existing data already in the form all plan level data will remain intact and all participant data will be replaced. If there is no prior Form 8955-SSA, the system will create one.

Warning: If you have completed 8955-SSA's already you may not want to Transfer SSA Data for All Plans as this will overwrite all SSA's previously completed!

8.4. Required Minimum Distributions

The Required Minimum Distribution Screen is accessed from the "Compliance Menu" by hovering over "Miscellaneous" and clicking on "RMD".



Overview

The Required Minimum Distribution (RMD) rules were created to ensure that the payment of benefits is not postponed indefinitely. These distributions are generally required within a certain time frame once a participant reaches the applicable RMD age. The distribution amount a participant must take is called the Required Minimum Distribution (RMD). The date the participant must take their first RMD is called the Required Beginning Date (RBD).

For the system to calculate the RBD and RMD correctly, the following data must be in the system (as applicable):

- Participant's account balance for the valuation calendar year
- Participant's date of birth
- Participant's ownership data as of the calendar year they attain RMD age
- Termination date and reason for termination
- Beneficiary's date of birth

Transactions/Statement Menu

The value of the participant's account balance is determined in the valuation calendar year. To obtain a participant's account balance for the valuation calendar year, account balance activity must be posted in the Transaction Menu for that year. Additionally, statements need to be run in order for the system to be able to pick up the balances. Please note: if the valuation calendar year is a conversion year with the only activity on the system being an ending balance batch, the system will not recognize those balances for RMD purposes. In this instance the account balance will need to be overridden and manually entered. Please refer to the RMD override section for additional instructions.

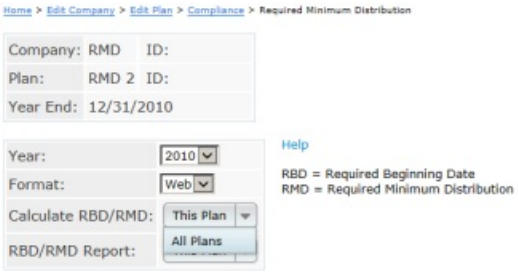
Do Data Scrub/Elig Calc

The following census data must be uploaded or keyed into the system in the distribution calendar year: participant date of birth, beneficiary's date of birth, participant's ownership, termination date and reason for termination (as applicable). The data scrub must be run before the RMD Menu will become available.

Calculate RBD/RMD

Select the year (either the current year or the next year) for which the RBD/RMD should be calculated for. Then select the format of which you would like to view the RBD/RMD report. If “Web” is selected, the report will open in a web page. If “CSV” is selected, the report will print in .csv format for you to view in an appropriate viewer, such as MS Excel.

If the user has administrative rights, the RBD/RMD can be calculated on either a plan level or global level. The default is to calculate for the current plan only (simply click “This Plan” next to the calculate option). To calculate on a global level, click the arrow next to the button that reads “This Plan” and click “All Plans”.



If the user is not a designated administrator, the RBD/RMD may only be run for the current plan. The option to run for “All Plans” is not available.

When the calculation is run, the system calculates the following (as applicable):

- RBD
- 5% Owner for RMD purposes
- Death Date
- Date that the participant attains RMD age
- 1st Distribution Cal Year
- Non 5% Term Date
- RMD factor
- Total account balance
- Vested account balance
- RMD

When the calculation is run a pop-up box will open. This lists every participant with an error. For example, if a participant’s beneficiary’s birth date is missing, an error message will appear on this screen to alert the user of invalid data.

NOTE: To review the actual calculations, you must close this box and print the RBD/RMD report.

RBD/RMD Calculations

Calendar Year: 12/31/2012

Required Beginning Date Errors

Participant Name	ERROR
RMD 7-19-2012 plan 1 - 12/31/2012	
Key 9, Key 9	Invalid designated beneficiary birthdate:
KeyAtt 1, KeyAtt 1	Invalid designated beneficiary birthdate:
	Invalid designated beneficiary

Required Minimum Distribution Errors

Plan Name	Participant Name	ERROR

Close

Print RBD/RMD Report

After running the RBD/RMD calculation, you must print the RBD/RMD Report. The top section of the report displays the Required Beginning Date information, showing all participants who have attained the applicable RMD age. The Required Minimum Distribution section of the report lists all participants who the system evaluates should receive a RMD. Users also have the option to open this report in excel format by clicking "csv" next to the report.

RBD/RMD Report in web format

RBD/RMD Reports

Calendar Year: 12/31/2012

Required Beginning Date Report

Participant Name	Override	70-1/2 Date	Death Date	5% Owner	Non 5% Term Date	Desig Ben Birth Date	1st Distribution Cal Year	Required Beg Date	Life Tables
RMD 7-19-2012 plan 1									
Key 7, Key 7	No	2/1/2011	1/1/2001	Yes		01/01/1960	2002	12/31/2002	Uniform Lifetime Table
Key 8, Key 8	No	02/01/2011		Yes		01/01/1961	2011	04/01/2012	Uniform Lifetime

Required Minimum Distribution Report

Participant Name	Bal Yr End	Balance O/R	Tot Bal	Vest Bal	Factor O/R	Factor	Required Min Dist
RMD 7-19-2012 plan 1							
Key 7, Key 7	2011-12-31	No	$10000.00	$0.00	No	25.6	$0.00
Key 8, Key 8	2011-12-31	No	$10000.00	$0.00	No	25.6	$0.00
Key 9, Key 9	2011-12-31	No	$10000.00	$0.00	No	23.8	$0.00

Close

RBD/RMD Report in .csv format

Required Beginning Date Report as of Calendar Year 12/31/2012

Plan Name	Participant Name	Override	70-1/2 Date	Death Date	5% Owner	Non 5% Term Date	Desig Ben	1st Distribution Ca	Required Beg Da	Life Tables
RMD 7-19-2012 plan 1	Key 7, Key 7	No	2/1/2011	1/1/2001	Yes		1/1/1960	2002	12/31/2002	Uniform Lifetime Table
RMD 7-19-2012 plan 1	Key 8, Key 8	No	2/1/2011		Yes		1/1/1961	2011	4/1/2012	Uniform Lifetime Table
RMD 7-19-2012 plan 1	Key 9, Key 9	No	7/1/2008		Yes			2008	4/1/2009	Uniform Lifetime Table
RMD 7-19-2012 plan 1	KeyAtt 1, KeyAtt 1	No	7/1/2009		Yes			2009	4/1/2010	Uniform Lifetime Table
RMD 7-19-2012 plan 1	KeyAtt 7, KeyAtt 7	No	7/1/2010		Yes			2010	4/1/2011	Uniform Lifetime Table
RMD 7-19-2012 plan 1	NonKey 1, NonKey 1	No	7/1/2008		No	1/1/2012		2012	4/1/2013	Uniform Lifetime Table
RMD 7-19-2012 plan 1	Nonkey 5, Nonkey 5	No	7/1/2008		No	2/1/2009		2009	4/1/2010	Uniform Lifetime Table

Required Minimum Distribution Report as of Calendar Year 12/31/2012

Plan Name	Participant Name	Bal Yr End	Balance O/R	Tot Bal	Vest Bal	Factor O/R	Factor	Required Min Dist
RMD 7-19-2012 plan 1	Key 7, Key 7	12/31/2011	No	$10,000.00	$0.00	No	25.6	$0.00
RMD 7-19-2012 plan 1	Key 8, Key 8	12/31/2011	No	$10,000.00	$0.00	No	25.6	$0.00
RMD 7-19-2012 plan 1	Key 9, Key 9	12/31/2011	No	$10,000.00	$0.00	No	23.8	$0.00
RMD 7-19-2012 plan 1	KeyAtt 1, KeyAtt 1	12/31/2011	No	$10,000.00	$0.00	No	24.7	$0.00
RMD 7-19-2012 plan 1	KeyAtt 7, KeyAtt 7	12/31/2011	No	$10,000.00	$0.00	No	25.6	$0.00
RMD 7-19-2012 plan 1	NonKey 1, NonKey 1	12/31/2011	No	$10,000.00	$0.00	No	23.8	$0.00
RMD 7-19-2012 plan 1	Nonkey 5, Nonkey 5	12/31/2011	No	$10,000.00	$0.00	No	23.8	$0.00

RBD Definitions

RBD calculation for a 5% Owner for RMD purposes

The RBD for a participant who is a 5 percent owner for RMD purposes is April 1st of the calendar year following the year that the participant attains RMD age.

RBD calculation for a non-5% Owner for RMD purposes

The RBD for a participant who is a non-5% owner for RMD purposes is April 1st of the calendar year following the year that the participant attains RMD age or, if later following the year in which he or she terminates employment.

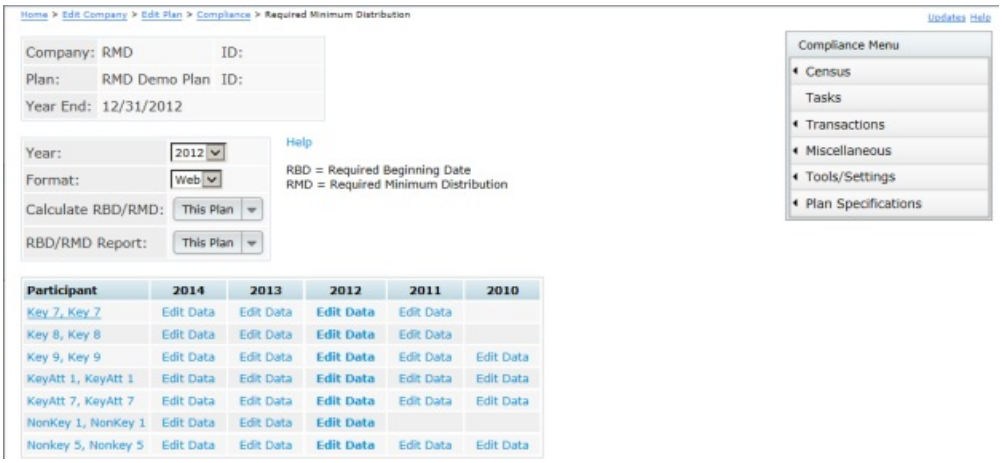
RBD calculation for a deceased participant

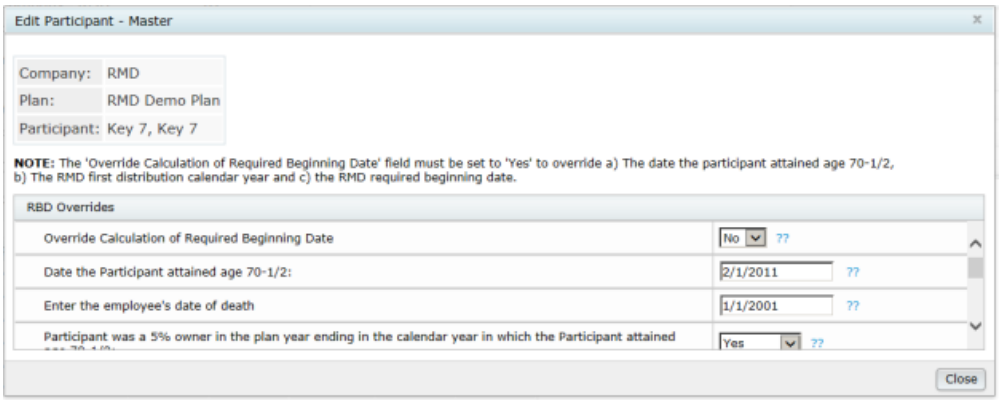
The RBD for a participant who dies before attaining age the applicable RMD age will be calculated as December 31st in the calendar year following the year in which the participant died.

The RBD will already have been calculated by the system for 5 Percent Owners who die on or after attaining the applicable RMD age and for non-5 Percent Owners who die on or after attaining RMD age and have terminated employment.

RBD Overrides

A link, displaying participants names, appears when the RBD/RMD calculation is run. Clicking on this link opens a screen where the RBD and the data on the screen below can be edited for a given participant.





Override Calculation of Required Beginning Date

The "Override Calculation of Required Beginning Date" should be set to "Yes" if the user wishes to bypass the recalculation of:

- Date the Participant attained RMD age
- Date of death
- RMD first distribution calendar year, or
- RMD required beginning date for the year

Date the Participant attained the applicable RMD age

The "Date the Participant attained RMD age" field equals the date the participant reached the applicable RMD age in MM/DD/YYYY format. It is based on the participant's date of birth in the system and is calculated when the RBD calculation is run. To override the system calculation of this value in the year the participant attains the applicable

RMD age, enter a valid date (MM/DD/YYYY) and set "Override Calculation of RMD" to "Yes". To override the system calculation of this value in any other year, simply enter a valid date (MM/DD/YYYY).

Enter the employee's date of death

The date of death field will populate (in MM/DD/YYYY format) if a valid termination date is in the system with the reason of termination due to death. The date of death is calculated when the RBD calculation is run if it is not already populated with a value. To delete this date entirely the user must set "Override Calculation of RBD" to yes.

Participant was a 5% owner in the plan year ending in the calendar year in which the Participant attained RMD age

The system will calculate whether or not a participant was a 5% owner for RMD purposes if the value of 5% Owner for RMD purposes equals "unknown" and the participant has attained RMD age. If census data is not in the system for the year the participant has attained RMD age, the 5% Owner for RMD purposes field will be set to no.

If not a 5% owner for purposes of RMDs, Termination date of Participant after the Participant attained RMD age

If a participant is marked as a non-5% owner for RMD purposes and has a valid termination date, this field will populate with that termination date when the RBD calculation is run.

Birth Date of Designated Beneficiary

The designated beneficiary's date of birth is used to calculate the factor when the Single Life Table is selected and also used with the participant's date of birth to determine the factor when Joint and Survivor Life Table is selected. To override this field simply enter a new date of birth in MM/DD/YYYY format in the RBD overrides menu.

Another option is to Other Import/Export/Reports from the Compliance Menu, select the *ftw Beneficiary fields grid, press update, then enter the dates directly in the grid or download/upload the spreadsheet with this data. This method is best used when there are multiple participants that you need to enter data for.

Life expectancy table to use

Life expectancy tables determine what factor will be used to calculate the RMD. The Single Life Table, Uniform Lifetime Table, or Joint and Last Survivor Table will be populated by the system when the RBD calculation is run. This selection is based on individual circumstances of the participant. To override this field use the drop-down box to select a different lifetime table to use.

Enter the RMD first distribution calendar year

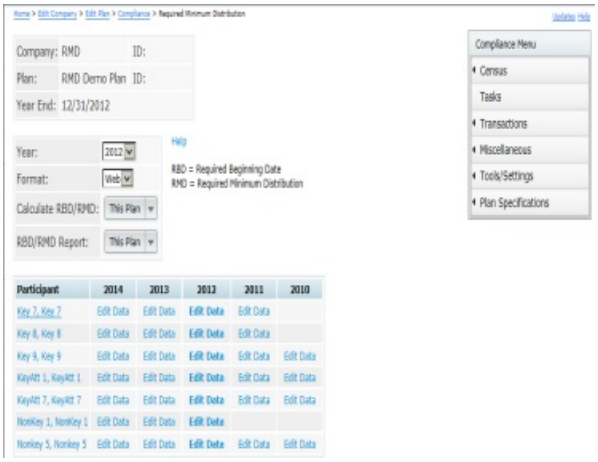
RMD first distribution calendar year field equals the calendar year in which the participant reached RMD age. The value is calculated when the RBD calculation is run. To change the system calculation of this value the user may enter a valid four digit year (YYYY). Link to FAQ

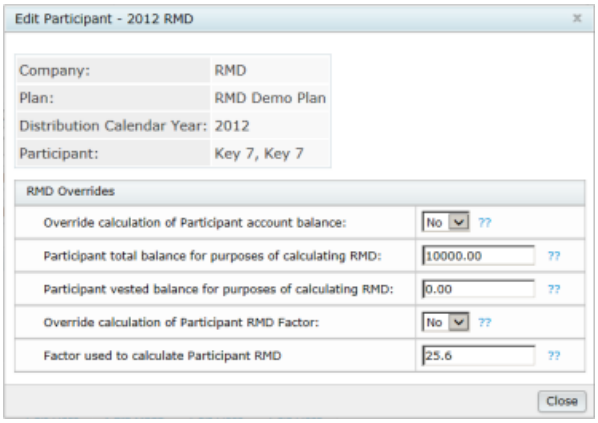
Enter the RMD required beginning date

This field equals the date the participant must take their first RMD. The value is calculated when the RBD calculation is run. To change the system calculation of this value, simply enter a valid date (MM/DD/YYYY). Link to FAQ

RMD Overrides

To edit a participant's balance data or the RMD factor, click on "Edit YYYY Data". The YYYY is the distribution calendar year for the RMD.





Override calculation of Participant account balance

If "Override Calculation of Participant account balance" is set to "Yes", the system will calculate the RMD based on the balance data manually entered in this screen. If set to "No", when the RMD calculation is run, the account balance data will repopulate based on the data in the system.

Participant total balance for purposes of calculating RMD

This field equals the participant's ending balance in thevaluation calendar year. To override, set "Override Calculation of Participant account balance" to "Yes" and enter the new total account balance.

Participant vested balance for purposes of calculating RMD

This field equals the participant's ending vested balance in thevaluation calendar year. To override, set "Override Calculation of Participant account balance" to "Yes" and enter the new vested account balance.

Override calculation of Participant RMD Factor

If "Override Calculation of Participant RMD Factor" is set to "Yes", the system will calculate the RMD based on the factor manually entered in this screen. If set to "No", when the RMD calculation is run, the factor will repopulate based on the data in the system.

Factor used to calculate Participant RMD

This field equals the factor that will be used to calculate the RMD. To override the system calculated factor, set "Override calculation of Participant RMD Factor" to "Yes" and enter the new factor you wish to use.

Link to RBD/RMD FAQ

RMD Definitions

Valuation Calendar Year:

The valuation calendar year is the calendar year prior to the distribution calendar year.

Distribution Calendar Year:

The distribution calendar year is the calendar year in which an RMD is due.

5% Owner for RMD purposes:

A participant will be considered a 5% owner for RMD purposes if they have an ownership percentage greater than 5% in the calendar year that they turned RMD age.

Note: If the RBD calculation is run for a future year the 5% owner calculation will be determined based on current plan year data. Once this field is calculated, the user must override if ownership changes prior to the year a participant attains RMD age.

Non- 5% Owner for RMD purposes:

A participant will be considered a Non-5% owner for RMD purposes if their ownership percentage is not greater than 5% in the calendar year that they turned RMD age.

Note: If the RBD calculation is run for a future year the 5% owner calculation will be determined based on current plan year data. Once this field is calculated, the user must override if ownership changes prior to the year a participant attains RMD age.

Single Life Expectancy Table:

If the participant is deceased, the system will default to the Single Life Table. The system uses the designated beneficiary's date of birth to calculate the life expectancy factor. Note: If a participant dies after this has already been populated with Uniform Life Table, the user must override to change the Life Expectancy Table to Single Life Table. Link

Uniform Life Expectancy Table:

If the participant is alive the system will default to the Uniform Lifetime Table. The system uses the participant's date of birth to calculate the life expectancy factor. Link

Joint and Last Survivor Life Expectancy Table:

If a participant's spouse is the sole beneficiary and the spouse is ten years younger than the participant, the Joint and Last Survivor Table must be used to determine the factor that will be used in the RMD calculation. The user must manually change the Life Expectancy Table option to Joint and Last Survivor Table in this instance. The system uses both the participant's and the designated beneficiary's date of birth to calculate the life expectancy factor. Link

Death Date:

To determine if a participant is deceased the system will look to see if a valid "death date" is entered. If no death date is found, the system will check the service history for a termination date due to death. If a valid death date is found or there is a termination date due to death in the service history, the system will assume the participant is dead.

RBD/RMD FAQ's

How does the system determine if a participant is a 5% Owner for RMD purposes?

To determine if a participant is a 5% owner, the system first finds a year end that is less than or equal to the calendar year end in which the participant turned RMD age. The system then looks to see if the participant was a 5% owner in that plan year. The system performs this calculation if the 5% Owner for RMD purposes variable is equal to "Unknown" and if the participant turns RMD age in the calendar year. Please note that if no census data is found for that person for the year end, 5% Owner for RMD purposes will be set to "No".

When will the system calculate the RBD for a participant?

The system calculates the RBD if the participant has a valid date of birth, the RMD first distribution calendar year field is blank, the Required Beginning Date field is blank, and if the participant is a 5% owner and turns RMD age in the calendar year or if a non-5% owner attains RMD age and terminates employment or if the participant dies.

I've overridden the RBD, how do I make the system recalculate it?

First make sure that the "Override Calculation of Required Beginning Date" is set to "No". Then delete the RBD and 1st Distribution Calendar Year fields in "Edit Participant Master File Data" screen. Finally, re-run the RBD calculation.

How does the system determine if a participant is RMD age?

The system looks to calculate the date the participant attained RMD age if there is not a valid date in the system already. If there is no valid date in the system, the system will look at the participant's date of birth to determine if the participant has reached RMD age. If they have, the date the participant attained RMD age is recorded.

What are the rules of IRC §401(a)(9)-5?

IRC §401(a)(9)-5

How is the RMD calculated if the participant is alive?

The RMD is equal to the account balance as of the last valuation date in the valuation year divided by the RMD factor. The factor is determined by the age of the participant as of the distribution year. The default life expectancy table used to obtain the RMD factor will be the uniform table.

Note: If the spouse is the sole beneficiary and is greater than ten years younger than the participant, the regulations state that the Joint and Last Survivor Table must be used to obtain the RMD factor. In this situation, the user must override and change the table to the Joint and Last Survivor Table.

Note: The RMD will calculate even if the Required Begin Date setting in the document is "Election of later of RMD age or retirement".

How is the RMD is calculated if the participant is deceased?

The RMD is equal to the account balance as of the last valuation date in the valuation year divided the RMD factor.

In general, if death occurs before the RBD, the benefit should be distributed over the life expectancy of the designated beneficiary as outlined in IRC §401(a)(9). In the system, the user must set the override calculation of Participant RMD Factor to "Yes" and enter the user determined factor in the "Factor used to calculate Participant RMD" field. When the RMD calculation is run, the RMD will be calculated based on the manually entered factor.

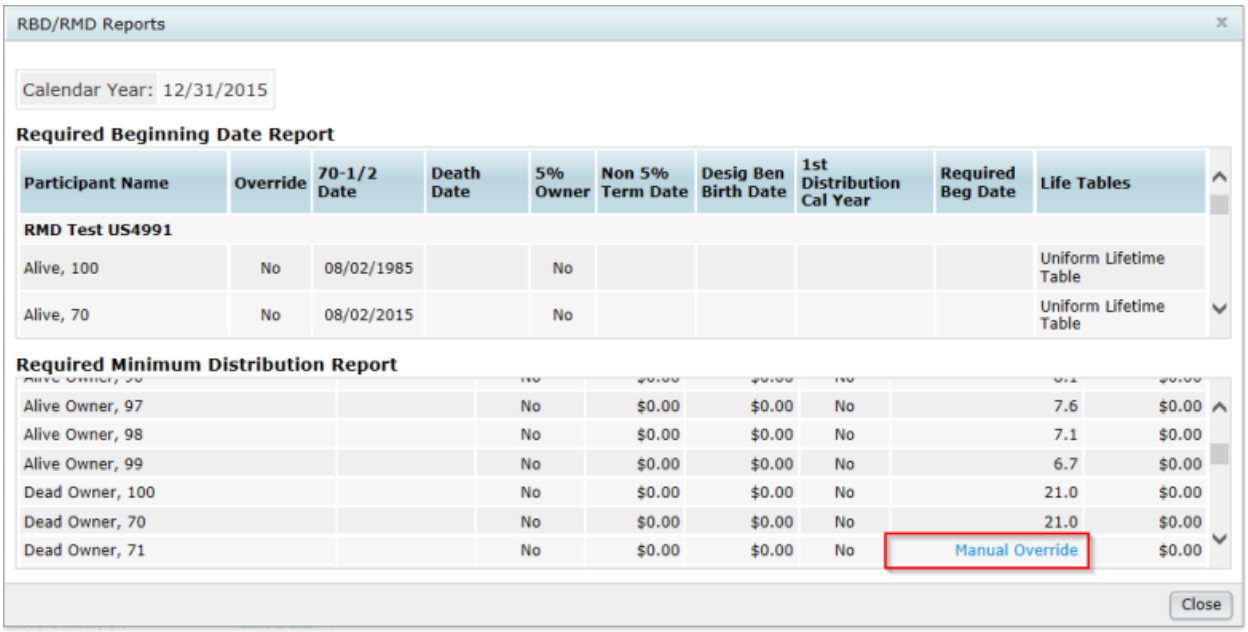
Note: If death occurs before the RBD and there is no designated beneficiary, the 5-year method should be used. The 5 year method requires that the entire vested balance must be distributed in full by the end of the calendar year that contains the 5th anniversary of the participant's death. In this case, the factor must be manually entered.

For example, if the balance must be distributed in three years (two payments have already been made), the user should enter “3” for the factor so the RMD is correctly calculated.

If death occurs on or after the RBD, the user must determine the correct factor that should be used, using the Single Life Table as outlined in IRC §401(a)(9)-5. In the system, the user must set the override calculation of Participant RMD Factor to “Yes” and enter the user determined factor in the “Factor used to calculate Participant RMD” field. When the RMD calculation is run, the RMD will be calculated based on the manually entered factor.

Why does the RMD report factor show "Manual Override" and what do I do to fix it?

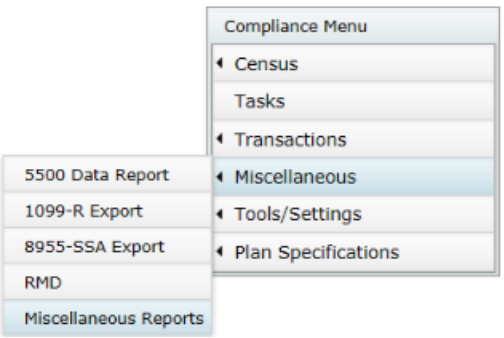
When a participant has a death date, the user must set override calculation of Participant RMD Factor to “Yes” and enter the user determined factor in the “Factor used to calculate Participant RMD” field. When the RMD calculation is run, the RMD will be calculated based on the manually entered factor. Please review the regulations for additional information about how the RMD factor should be calculated for a deceased participant.

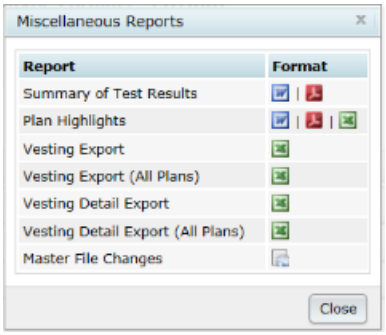


8.5. Miscellaneous Reports

Vesting Export Reports

There are four vesting report options. The links for these reports are located under Miscellaneous from the Compliance Menu and will become available only after the data scrub has been run. Note: These reports will populate with data only after sources have been set up in Plan Specifications à Sources and Inv Accounts.





The "Vesting Export" report contains data for a single plan that is used to help calculate a participant's vested account balance. The "All Plans" option will print all of the data in the "Vesting Export" report for all plans. FTW Company Number, FTW Plan Number and Customer ID columns were added to the "All Plans" reports to help users identify and sort companies and plans easier.

- Participant Name, SSN and Birth Date: This data will populate from uploading it through a census grid.
- Yrs Service: This column shows the total number of years (current plus prior years) of vesting service attained.
- Participation Start: Populates with the earliest date of participation from the participant master record if normal retirement age includes a service requirement. The system will not calculate earliest participation date for those who have not attained the age component of NRA
- NRA: This populates with "Yes" if the participant has attained normal retirement age and "No" if they have not.
- NRA Date: If a participant has attained normal retirement age, this column will populate with the date they attained it. If a participant has not yet reached normal retirement age this column will show "N/A".
- FTW Source: These are the sources that are setup/available as selected in General Features/Sources and Inv Accounts.
- External Source: If you upload transaction data from an external source, the sources must be mapped from the external source to the FTW sources. This will have been done in the Transactions/Statements menu. This column shows which external sources were mapped to each FTW source.
- Vesting Override: This will populate with "Yes" only if the vesting percentage was overridden in the vesting override screen.
- Prior Distribution: Include distributions in years ending before the plan year begins. This includes distributions, in-service, loan default, ADP/ACP corrections (that are coded as such in the Transactions/Statements menu as such).

Sample Plan
Vesting Report for Year End: 2012-12-31

Participant Name	SSN	Birth Date	Yrs Service	Participation Start	NRA	NRADate	FTW Source	External Source	Vesting Override	Vesting Percent	Prior Distribution
Employee3, Firstname3	100-01-0001	1/2/1955	7	N/A	No - Age	N/A	MATCH	N/A	No	100	0
Employee3, Firstname3	100-01-0001	1/2/1955	7	N/A	No - Age	N/A	PS	N/A	No	100	0
Employee3, Firstname3	100-01-0001	1/2/1955	7	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee4, Firstname4	100-01-0003	3/2/1970	6	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee4, Firstname4	100-01-0003	3/2/1970	6	N/A	No - Age	N/A	MATCH	N/A	No	100	0
Employee4, Firstname4	100-01-0003	3/2/1970	6	N/A	No - Age	N/A	PS	N/A	No	100	0
Employee5, Firstname5	100-01-0004	4/12/1975	0	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee5, Firstname5	100-01-0004	4/12/1975	0	N/A	No - Age	N/A	MATCH	N/A	No	0	0
Employee5, Firstname5	100-01-0004	4/12/1975	0	N/A	No - Age	N/A	PS	N/A	No	0	0
Employee6, Firstname6	100-01-0006	6/16/1985	5	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee6, Firstname6	100-01-0006	6/16/1985	5	N/A	No - Age	N/A	MATCH	N/A	No	80	0
Employee6, Firstname6	100-01-0006	6/16/1985	5	N/A	No - Age	N/A	PS	N/A	No	80	0
Employee7, Firstname7	100-01-0008	9/30/1991	0	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee7, Firstname7	100-01-0008	9/30/1991	0	N/A	No - Age	N/A	MATCH	N/A	No	0	0
Employee7, Firstname7	100-01-0008	9/30/1991	0	N/A	No - Age	N/A	PS	N/A	No	0	0
Employee1, Firstname1	100-01-0010	2/2/1993	3	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee1, Firstname1	100-01-0010	2/2/1993	3	N/A	No - Age	N/A	MATCH	N/A	No	40	0
Employee1, Firstname1	100-01-0010	2/2/1993	3	N/A	No - Age	N/A	PS	N/A	No	40	0
Employee2, Firstname2	100-01-0012	9/12/1995	0	N/A	No - Age	N/A	MATCH	N/A	No	0	0
Employee2, Firstname2	100-01-0012	9/12/1995	0	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee2, Firstname2	100-01-0012	9/12/1995	0	N/A	No - Age	N/A	PS	N/A	No	0	0

The "Vesting Detail Export" report is very similar to the "Vesting Export" report. It includes all of the same columns for a single plan, but also adds two historical columns.

- Hire/Term History: The first row for each participant will display the hire date and any termination dates applicable to the participant.
- Service History: The first row for each participant will display service hours earned for each year. If no historical data was entered for years prior to the first plan year on the system, the system will show “9999” hours earned to denote 1 year of service, then will show the number of prior years of service earned. For example, “2011-12-31 =>9999/6; 2012-12-31=>2080” means that a participant earned 6 prior years of service plus one year of service for 2012, for a total of 7 years of service as of 2012.

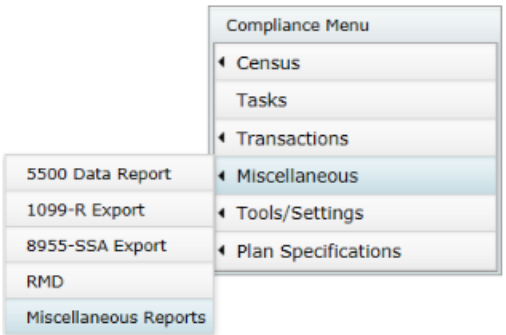
Sample Plan
Vesting Report for Year End: 2012-12-31

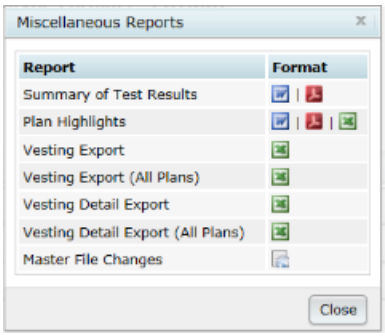
Participant Name	SSN	Birth Date	Hire/Term History	Yrs Service	Serv History	Part Start	NRA	NRADate	FTW Source	External Source	Vesting OR	Vesting %	Prior Distr
Employee3, Firstname3	100-01-0001	1/2/1955	2006-01-01=>Hire	7	2011-12-31=>9999/6;2012-12-31=>2080	N/A	No - Age	N/A	PS	N/A	No	100	0
Employee3, Firstname3	100-01-0001	1/2/1955		7		N/A	No - Age	N/A	MATCH	N/A	No	100	0
Employee3, Firstname3	100-01-0001	1/2/1955		7		N/A	No - Age	N/A	401K	N/A	No	100	0
Employee4, Firstname4	100-01-0003	3/2/1970	2006-08-14=>Hire	6	2011-12-31=>9999/5;2012-12-31=>2080	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee4, Firstname4	100-01-0003	3/2/1970		6		N/A	No - Age	N/A	MATCH	N/A	No	100	0
Employee4, Firstname4	100-01-0003	3/2/1970		6		N/A	No - Age	N/A	PS	N/A	No	100	0
Employee5, Firstname5	100-01-0004	4/12/1975	2007-03-15=>Hire;2010-09-16=>Terminate	0		N/A	No - Age	N/A	401K	N/A	No	100	0
Employee5, Firstname5	100-01-0004	4/12/1975		0		N/A	No - Age	N/A	MATCH	N/A	No	0	0
Employee5, Firstname5	100-01-0004	4/12/1975		0		N/A	No - Age	N/A	PS	N/A	No	0	0
Employee6, Firstname6	100-01-0006	6/16/1985	2008-04-12=>Hire	5	2011-12-31=>9999/4;2012-12-31=>2080	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee6, Firstname6	100-01-0006	6/16/1985		5		N/A	No - Age	N/A	MATCH	N/A	No	80	0
Employee6, Firstname6	100-01-0006	6/16/1985		5		N/A	No - Age	N/A	PS	N/A	No	80	0
Employee7, Firstname7	100-01-0008	9/30/1991	2009-05-04=>Hire	0	2012-12-31=>500	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee7, Firstname7	100-01-0008	9/30/1991		0		N/A	No - Age	N/A	MATCH	N/A	No	0	0
Employee7, Firstname7	100-01-0008	9/30/1991		0		N/A	No - Age	N/A	PS	N/A	No	0	0
Employee1, Firstname1	100-01-0010	2/2/1993	2010-01-03=>Hire	3	2011-12-31=>9999/2;2012-12-31=>2080	N/A	No - Age	N/A	401K	N/A	No	100	0
Employee1, Firstname1	100-01-0010	2/2/1993		3		N/A	No - Age	N/A	MATCH	N/A	No	40	0
Employee1, Firstname1	100-01-0010	2/2/1993		3		N/A	No - Age	N/A	PS	N/A	No	40	0
Employee2, Firstname2	100-01-0012	9/12/1995	2011-02-02=>Hire	0	2012-12-31=>500	N/A	No - Age	N/A	PS	N/A	No	0	0
Employee2, Firstname2	100-01-0012	9/12/1995		0		N/A	No - Age	N/A	401K	N/A	No	100	0
Employee2, Firstname2	100-01-0012	9/12/1995		0		N/A	No - Age	N/A	MATCH	N/A	No	0	0

The “All Plans” option prints the same data as the “Vesting Detail Export” for all plans. Additionally, FTW Company Number, FTW Plan Number and Customer ID columns were added to the “All Plans” reports to help users identify and sort companies and plans easier.

Summary of Test Results

The Summary of Test Results report gives an overview of the results of compliance tests run. It will also let the user know if a test had not been run.





Limits test

The limits test includes:

- IRC §415 test – Tests to make sure no participant exceeds the annual additions limit for the applicable plan

year.
- IRC §402(g) test – Tests to make sure no participant exceeds individual deferral contribution limit set for the applicable plan year.
- Plan limit test – Tests to make sure no participant exceeds plan limits set by the plan document (as applicable).

Each test will show either, “Not run”, “PASS” or “FAIL”. If any of the tests fail, the overall result will be FAIL.

410(b) Ratio Percentage Test

The 410(b) Ratio Percentage Test includes a separate coverage test for:
- Elective Deferrals
- Match
- Non-Elective

Each test will show either, “Not run”, “PASS” or “FAIL”. If any of the tests fail, the overall result will be FAIL.

Deduction Limit

The Deduction Limit tests to total employer contributions against total eligible compensation to verify that the deduction limit for the plan has not been exceeded.

Each test will show either, “Not run”, “PASS” or “FAIL”.

Compensation Testing

The Compensation Test includes a separate test for:
- Match
- Non-Elective

The tests compare the applicable HCE compensation ratio with the applicable NHCE compensation ratio to verify that the difference is not greater than the de minimis amount entered.

Each test will show either, “Not run”, “PASS” or “FAIL”. If either of the tests fails the overall result will be FAIL.

ADP Test

The ADP test will either show “PASS” or “FAIL”. If the plan is a safe harbor plan, the ADP test will not appear in this report. If the ADP test shows a “PASS” result, then the “Refunds due” and “Estimated QNEC” will show as “N/A”. If the ADP test shows a “FAIL” result, the “Refunds due” will show a dollar amount of total refunds due to be distributed. If the ADP test fails and the plan specifications permit a QNEC as a correction method, the “Estimated QNEC” will show a dollar amount equal to the total amount estimated to provide a passing result.

ACP Test

The ACP test will either show “PASS” or “FAIL”. If the ACP test shows a “PASS” result, then the “Refunds due” and “Estimated QNEC” will show as “N/A”. If the ACP test shows a “FAIL” result, the “Refunds due” will show a dollar amount of total refunds due to be distributed. If the ACP test fails and the plan specifications permit a QNEC as a correction method, the “Estimated QNEC” will show a dollar amount equal to the total amount estimated to provide a passing result.

Associated Match Forfeitures

If the ADP test fails and refunds result in associated match forfeitures, the total amount of associated match forfeitures will appear here. If no associated match forfeitures are required this row will show “N/A”.

General Test

The General Test shows a separate test for:

- Rate Group Test (at 70%) – Note: if the Rate Group Test passes at midpoint, this line will not appear on the report.
- Rate Group Test (at midpoint)
- Gateway Test
- General Test – Average Benefits Test – Note this line will appear if Rate Group Test (at 70%) fails.

Each test will show either, “Not run”, “PASS” or “FAIL”.

Top Heavy Test

The top heavy test will show either “Not run”, “PASS” or “FAIL”. The Top Heavy Percentage will show the key employee asset percentage in comparison to the total assets in the plan as outlined in the IRC for either a “PASS” or “FAIL” result. If the top heavy test was not run the Top Heavy Percentage will show “???”.