

6.2. Allocations

10/29/2024 2:00 pm CDT

Set Allocation Parameters

Clicking on the Allocation row will expand the Allocation Parameters. Here you can enter details about how allocations should be handled in the plan. The options you see will be based upon the plan specifications (for example, if matching is not permitted in the underlying plan specifications, then options for matching allocations will be grayed out and you will not be able to select from them).

Allocation Overrides

If employer contributions will be uploaded (not system calculated), the source specific overrides should be used. The overrides must be set prior to running the data scrub. If the employer contributions are uploaded and the overrides are set to no, the data scrub will zero out all of the contributions uploaded with the census. If this happens, set the source override (match or profit sharing, for example) to yes. Then re-upload the census data and re-run the data scrub.

Allocation Overrides	
Override Employee Contributions to be matched (requires entry of matched contributions in census):	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Match allocation manual override:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
+ + + +	
Nonelective allocation manual override:	<input checked="" type="radio"/> Yes / <input type="radio"/> No
If Nonelective allocation override, calculate true-ups:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Safe Harbor Nonelective allocation manual override:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
If Safe Harbor Nonelective allocation override, calculate true-ups:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
QNEC allocation manual override:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
+ +	
Average benefits calculation override:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
+ Is there another plan that must be taken into account for Average Benefits:	<input type="radio"/> Yes / <input checked="" type="radio"/> No

Matching Allocation

This section is where the safe harbor match and discretionary match formulas will be entered, as applicable, as well as any plan limits related to the match. The match formula (both safe harbor and discretionary) can have up to three rates. Below is an example of a discretionary match formula, where 100% of compensation will be matched on the first 3% of compensation deferred, plus an additional 50% will be matched on the next 2% of compensation deferred. Please note that in the second tier, 5% is entered as the maximum, not 2%.

Matching - Fixed Rates	
Matching Contribution formula (if SH Match, enter number of added Tiers):	<input type="text" value="2 rates"/>
Indicate whether max component of tier is percent or dollar amount:	<input type="text" value="Percent"/>
Enter rate of Matching Contributions on first tier:	<input type="text" value="100.000000"/>
Enter maximum amount of Employee Contributions matched on first tier:	<input type="text" value="3.000000"/>
If two tiers, enter rate of Matching Contributions on second tier:	<input type="text" value="50.000000"/>
If two tiers enter maximum amount of Employee Contributions matched on second tier:	<input type="text" value="5.000000"/>

Top Heavy Allocation

Questions related to top heavy minimum allocations will be found here. The system will display the top heavy status for the current plan year. This is based on the prior year top heavy test or the Top Heavy Parameters, if overrides are used. If the plan is top heavy as of the Determination Date (displays Yes), a top heavy minimum allocation will be due. If this is “No”, then no top heavy minimum allocation is due for the current plan year. Also in this section is where the top heavy minimum allocation override is found. The top heavy minimum override must be set to yes and a percentage entered if the plan has self employed persons.

Top Heavy Allocation	
Top Heavy as of Determination Date:	<input type="radio"/> No
Plan to which Top-Heavy allocations are made:	<input type="text" value="This Plan"/>
Design of Plan automatically meets top heavy allocation requirements	<input type="radio"/> Yes / <input checked="" type="radio"/> No
3. If Top-Heavy made in "This Plan", type of other plan maintained by the Company that covers employees eligible to participate in this Plan:	<input type="text" value="N/A - No other plan"/>
Include Match in Top Heavy minimums for Non Keys:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
Participants who share in Top-Heavy minimum allocations:	<input type="text" value="Non-Key only"/>
Aggregation required:	<input type="radio"/> Yes / <input checked="" type="radio"/> No
+	
Override Top Heavy minimum allocation percent	<input type="radio"/> Yes / <input checked="" type="radio"/> No
+	

Nonelective Allocation

Both safe harbor and discretionary nonelective allocation formulas will be entered in this section. The safe harbor non-elective allocation must be entered as a percentage (cannot be a dollar amount). Regular pro-rata and integrated nonelective allocations can be entered as either a dollar amount or a specified percentage. If the plan has an [age weighted](#) allocation, the user must have a dollar amount entered. Age weighted allocations cannot be allocated using percentages. New comparability formulas will be allocated by groups. Users can enter a dollar, a percentage or the greater of a dollar or percentage for each group.

When “Dollar” is used, the dollar amount entered will be allocated across all participants, so that the total allocation equals the dollar amount entered here. When “Specified” is selected, the percentage entered is the percentage of compensation each participant will receive.

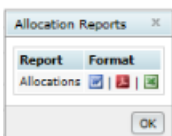
For specific help on each question within this section, click [here](#).

Run Allocation

Clicking on the Allocation “Run” button from the tasks page will calculate employer contributions based on the allocation parameters. A pop-up box will open and display errors and overrides if applicable.

Allocation Report

The allocation report and integrated report (if applicable) are available via the reports button on the tasks webpage or from within the results window.



If a contribution type is not applicable to the plan and the account is appearing on the allocations report, you can suppress the account under the [Accounts and Sources](#) menu in the Plan Set Up options.

As is the case for all the default reports on the system, if there is information you would like to see that is not in one of the predefined reports, go to the [Other Import/Export/Reports Menu](#) and review some of the more detailed

report grids there or set up your own report under the [Work With Data Entry Grids](#) menu.
