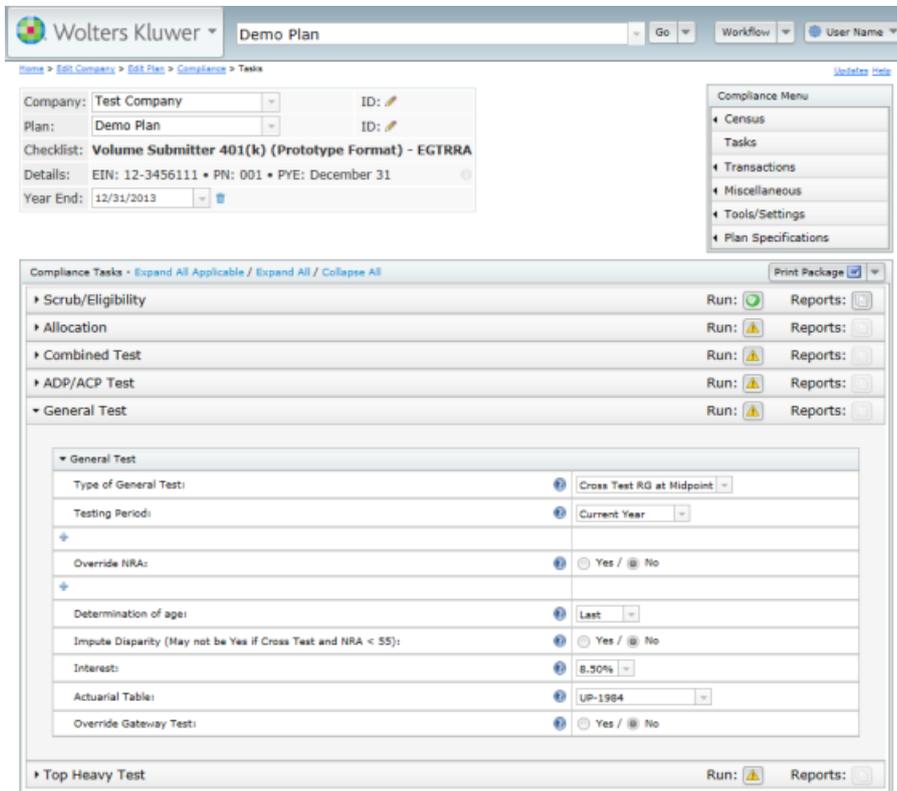


6.5. General Test

10/29/2024 2:01 pm CDT

Clicking on "General Test" bar from the Tasks page will expand the "General Test Parameters". Here you can enter details about how the general test should be handled in the plan.



The General Test options affect the rate group test, average benefit test and/or gateway test.

Type of General Test:

- Cross Test - Selecting Cross Test will run the general test based on the allocation projected to retirement age. This is the system default.
- Standard – Selecting Standard will run the general test using actual allocation rates (does not project benefits into the future). Please note that the gateway test is not required to be met using this option.

Testing Period:

- Current Year – Selecting current year will run the general test based on current year allocations. This is the system default.
- Account Balances – Selecting Account Balances will run the general test using participant’s account balances divided by the number of participation years of service.
- A participant’s account balance is calculated when statements are run.
- Transactions must be uploaded in the system for the current year.
- Correct end balance batch must be posted for the current year.
- Statements must be run to have the system pull the correct account balance data. Note: statements must be re-run any time changes are made to participation years or when balance information is changed.
- The account balance is split by source type as follows:
- GenTestAllocationPermDisp GenTestAllocationNoPermDisp, GenTestAllocationOtherSource GenTestAllocationOtherPlan as applicable

- Participation years of service
- Go to Other Import/Export/Reports and select "Sample Census Supplemental w disag no OR with prior participation yos (638be22)" in one of the user defined spots and press update. Then press the "Edit Data" link next to the grid. Enter the number of prior years of participation each participant has earned for Service_ParticipationPrYrCummMT and Service_ParticipationPrYrCummPS. If the values are different, the system will select the higher number.
- Note: If it is the first year on the system you will not need to set the individual participant overrides to "Yes" since the global override is automatically set to yes. If it is not the first year on the system, you will need to set the individual participant override (Service_ParticipationPrYrCummOverride) to "Yes" for all individuals you will be overriding. Or, you can set the global override for prior year participation service by clicking Scrub/Eligibility Parameters and setting Override calculation of prior year participation service to yes.
- After all changes are made to prior year participation service, run the data scrub, then run one of the statement options in the Transactions menu.

If Testing Period is "Account Balances" override calc of balances:

- No – If No is selected, account balances will be pulled from the statements (after one of the Transactions options are run).
- Yes – If Yes is selected, the user should go to Other Import/Export/Reports and select Sample General Test Acct Bal grid. The following fields are added together and will need to be changed (as applicable). Note: these fields are normally system generated as described below, but once you set the override to yes, you can just overwrite the data in these fields.
 - Acct Bal Non-elective Perm Disp: Non-elective contributions.
 - Acct Bal Non-elective Perm Disp – Adj: Enter any distributions (as a positive amount) from the non-elective source here.
 - Acct Bal Non-elective No Perm Disp: Safe harbor non-elective contributions, QNECs.
 - Acct Bal Non-elective No Perm Disp – Adj: Enter any distributions (as a positive amount) from the Safe harbor non-elective contributions and QNEC source.
 - Acct Bal Other Source: 401k, Roth, Match, Safe Harbor Match
 - Acct Bal Other Plan: Balances from other plans (ex. Defined Benefit)

Override NRA:

- No – If No is selected, the normal retirement age that was selected in Plan Specifications will be used in the general test.
- Yes – If Yes is selected the normal retirement age selected in the following question will be used in the general test.

Determination of age:

- Last - Selecting Last uses a Participant's age at the end of the Plan Year.
- Nearest - Selecting Nearest could skew test results, depending on birth dates of HCE and NHCE. The testing age for anyone born in the first six months of a Plan Year (assuming a calendar year plan year) is the age attained during the Plan Year. For anyone born after June 30th, the testing age would be attained age on the next birthday (January 1 to June 30 of the next Plan Year).

Impute Disparity (May not be Yes if NRA < 55)

- Yes – Selecting yes will run the general test with imputing disparity.
- No – Selecting no will run the general test without imputing disparity. Note: Imputed disparity cannot be used if NRA is less than 55.

Interest: The interest rate is a factor in cross testing when projecting the allocation to retirement age. A higher

interest rate will produce a larger value at retirement age.

- Select "7.5%", "8.0%", or "8.5%".

Actuarial Table: Actuarial tables determine one of the factors used in cross testing when projecting the allocation to retirement age.

- Select one of the actuarial tables listed from the drop down box.

Override Gateway Test

- No: This is the system default. Selecting No allows the system to calculate the gateway test.
- Yes: Select "Yes" to override system calculated result. This will show an automatic PASS result.

Run General Test

Clicking on "Run" General Test from the Tasks page, will calculate the General Test (Rate Group Percentage Test and/or Average Benefit Test, if applicable) based on the parameters. You will be taken to the "General Test" page where testing parameters will be shown as well as the Rate Group Test, Gateway Test and Average Benefit Test (shown at right). You can print the test report directly from the "General Test" page or once you return to the Compliance Menu page, click on "Print Reports" to view allocation calculations and eligibility for each contribution type.

If you fail one or more of the tests, the Auto Solve options to correct a failed test will be displayed on the General Test screen. You will see two options to correct each test - either to increase amounts given to NHCEs or to decrease amounts to NHCEs. Clicking one of the links will show you the change required to pass the test and you will see a "View Changes" link that you can click to see the cost or the amount of the reduction for each group.

For each failed test you can select the preferred correction method and click "Revise Allocations and Re-run Test" to correct.

Changes to allocation groups - Increase NHCEs			
Group 1	Percent	100.0000	100.0000
Group 2	Percent	100.0000	100.0000
Group 3	Percent	2.0000	66.87

General Test Reports

The Rate Group Test and Average Benefits Test reports can be printed directly from the General Test results screen or accessed via the Reports button on the General Test bar. The Reports feature allows you to review the details without redoing the task.

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/Report 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.

General Test Reports x

Report	Format
Rate Group Report	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Average Benefits Report	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>