6.6. Top Heavy Test

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Click here for help troubleshooting top heavy testing.

Set Top Heavy Test Parameters

Clicking on "Top Heavy Test" bar from the Tasks page will expand the Top Heavy Parameters.

The Top Heavy calculations are run at the end of an annual cycle after allocations have been run and transactions have been posted in the system. Transactions must be up-to-date as of the determination date for the applicable testing year. Note that one of the parameters that you need to set under "Top Heavy for Next Year" is whether to use all transactions or just ending balances. Generally the software calculates ending balances from the other transactions - beginning balances, plus contributions and other gains, minus distributions, fees etc. So unless you actually have a batch of ending balances posted in the Transaction menu you need to select "All transactions other than ending balance" from the "Transactions to use when calculating Participant balances:" drop-down box.

If the employer has multiple plans the Top Heavy test must be run on an aggregated basis. This can be accomplished by entering an aggregation code, which is the same for all plans of the employer. The indication that aggregation is used and aggregation IDs are found on the ADP/ACP Test Parameters screen (the ID code is one you may make up and must be the same for all aggregation group members). If for some reason account information is not available for other plans (e.g. the plans are not on the ftwilliam.com Compliance system) you can manually enter ending balances for the other plans (Under the "Set Top Heavy Test Parameters" menu, there are fields to enter Key and Non-Key Balances for other plan).

To override the system calculation of the Top Heavy ratio, set the override at the top of the "Set Top Heavy Test Parameters" menu to "Yes". Set the order of Top Heavy allocations and select which Participants will share in Top Heavy minimum allocations. Also, make sure that all Key Employees are identified as such, especially for the first Plan Year the Plan is on ftwilliam.com's Compliance system.

For more information and examples, click on the help button for a particular question or click here.

Run Top Heavy Test

Clicking on "Run" Top Heavy Test from the Compliance Menu page will calculate the top heavy test based on the parameters and balances in the Transaction Menu. The "Top Heavy Calculation" results screen will pop-up, containing basic top heavy status information.

Top Heavy Test Report

You can print the test report directly from the "Top Heavy Calculation" page or once you return to the Compliance Menu page, click on "Reports" to view Top Heavy Calculations. The Report 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.