

10.7. Disaggregation

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The system has several fields that will display whether a person has met the minimum age and service requirements of Code section 410(a)(1)(A) (age 21 and 1 year of service) before the first day of the seventh month of the Plan Year. As provided in Treas. Reg. sections 1.410(b)-6(b)(3) and 1.410(b)-7(c)(3), a plan may treat a plan benefiting otherwise excludable employees (those not yet meeting age 21 and 1 year of service) as two separate plans for testing purposes.

The fields coded "disagg" will provide information about whether the Participant has met the minimum age and service requirements of Code section 410(a)(1)(A) before the first day of the seventh month of the Plan Year ("Eligible_Disagg", "Eligible_DisaggEligMet" and "Eligible_DisaggEntryDate" for example).

Eligible_Disagg will be "Yes" if a person is less than age 21 or has less than 1 year of service before the first day of the seventh month of the Plan Year. This means the participant will be in the disaggregated group for testing purposes.

Eligible_DisaggEntryDate will always be at the beginning of the year (1/1 for a calendar year plan). This is because Treas. Reg. sections 1.410(b)-6(b)(3) and 1.410(b)-7(c)(3) do not allow for "splitting participants" between different testing groups (i.e. if the disaggregation test allowed for semi-annual entry dates, a participant with a 7/1 entry date in a calendar year plan would be in the disaggregated group for the first six months of the year and in the other testing group for the second half of the year). In addition, informal conversation with the IRS has confirmed that disaggregated plans must use entry dates as of the first of the plan year.
