

# 10.13. Vesting

10/29/2024 4:38 pm CDT

## Vesting Service Calculation

Vesting service is calculated when the scrub is run and is determined by the system as follows:

- **Active Employees:** If an employee is on the current year census “in the grid”, the system will first calculate vesting service for the current plan year based on plan specifications for vesting (current year will either be a 1 or 0). The software then adds this value to the “prior years of cumulative service for vesting” field to determine the total number of years of vesting service.
- **Terminated Employees:** Employees who terminate in a prior year will not be on the current year census. In this case, the system will first look in the service history file to see if there is any stored vesting history. If there are vesting history records in the system, the years of vesting service will be pulled from the “service earned column”. If there aren’t any records in service history file the system will show zero years of service.

## Vesting Percentage Calculation

The vesting percent is calculated based on the years of vesting service and applicable vesting schedule. The system calculates the vesting percentage when either a transaction menu report or the [Vesting Export](#) report is run.

## Vested Balance Calculation

For sources that are not 100% vested the system calculates the vested balance as follows:

- $\text{Vested balance} = [(\text{End bal} + \text{prior dist} + \text{current yr dist} + \text{prior yr forfs} + \text{current yr forfs}) * \text{vesting percent}] - \text{prior dist} - \text{current yr dist}$
- Distribution history will now also include forfeitures. Distributions and forfeitures will appear in history after any transaction menu report is run.

To view the vesting balance review one of the report options in the “Transactions/Statements Menu.”

To view prior distributions review the [Vesting Export](#) report.

## Vesting Overrides

First Plan Year on the System

- **Active Employees:**
- To override vesting service for active employees in the first plan year on the system: Click on “Other Import/Export/Reports and select the “\*ftw First Year Supplemental Census Grid” grid under one of the user defined fields. Then press “Edit Data” and edit the “Prior\_yos\_vesting” column with the applicable number of years of service earned in years prior to the current plan year. Last, run the data scrub. The vesting percentage will calculate based on the new vesting service.

Home > Edit Company > Edit Plan > Compliance > Census > Other Import/Export/Report Menu Updates Help

- Tools/Settings
- Plan Specifications

**Select Grids**

Participant Lookup	None
Service Grid	None
Initial Eligibility Grid	None
Continuing Eligibility Grid	None
HCE Grid	None
Key Grid	None
Allocation Grid	None
410(b) Grid	None
ADP/ACP Grid	None
General Test Grid	None
UD Grid 1	* ftw First Year Supplemental Census Grid (a79ad3f)

| [Edit Data](#) | Download: | Upload:

Home > Edit Company > Edit Plan > Compliance > Census > Other Import/Export/Report Menu > Data Entry Grid Updates Help

Company: mh General Test Company ID: \_\_\_\_\_

Plan: Age Weighted ID: \_\_\_\_\_

Year End: 12/31/2010

Grid: \* ftw First Year Supplemental Census Grid (ID: a79ad3f)

Grid Data: [Download](#) | [Upload](#)

100, Oldie [Edit](#) | [Remove From Census](#)

SSN: \_\_\_\_\_ Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_ [Add New](#)

	Last Name	First Name	SSN	Prior Y...	Prior Y...	Prior Y...	Prior Y...	Prior YOS Vesting	TH Inserv Distri...	TH Inserv Distri...	TH In
1	100	Oldie	000-00-1365	7	7	7	7	7	0.00	0.00	0.00
2	101	Oldie	000-00-1366	7	7	7	7	7	0.00	0.00	0.00
3	77	Oldie	000-00-1342	7	7	7	7	7	0.00	0.00	0.00
4	78	Oldie	000-00-1343	7	7	7	7	7	0.00	0.00	0.00
5	79	Oldie	000-00-1344	7	7	7	7	7	0.00	0.00	0.00
6	80	Oldie	000-00-1345	7	7	7	7	7	0.00	0.00	0.00
7	81	Oldie	000-00-1346	7	7	7	7	7	0.00	0.00	0.00
8	82	Oldie	000-00-1347	7	7	7	7	7	0.00	0.00	0.00
9	83	Oldie	000-00-1348	7	7	7	7	7	0.00	0.00	0.00
Totals:				922	922	922	922	905	0.00	0.00	0.00

- Prior Year Terminated Employees (that are on your census upload):
- To override and hardcode the vesting percentage for an employee who will not accrue any additional vesting: click on "Census" from the Compliance Menu -> Select the participant from the drop-down box and press "Edit". Click "Vesting Override" link -> Set override to "Yes" for each source you wish to override -> Enter the vesting percent for each source -> Press update.
- Note: The percent that is entered here will not change in future years under any circumstances until the percentage is again changed or the override is set back to "No".

Home > Edit Company > Edit Plan > Compliance > Data Entry Grid > Participant Menu Updates Help

Company: Test Company ID: \_\_\_\_\_

Plan: Demo Plan ID: \_\_\_\_\_

Year End: 12/31/2013

Participant: **EE1, FN1** [View History](#) | [Vesting Override](#)

Participant Data - [Expand All Applicable](#) / [Expand All](#) / [Collapse All](#) [Print](#)

- Master File
- General Status
- Eligibility
- Compensation
- Contribution
- Other

- Census
- Tasks
- Transactions
- Miscellaneous
- Tools/Settings
- Plan Specifications

Vesting Override

Participant: EE1, FN1

SourceID	Suppress	Source Name	Source Desc	Override	Vesting Percentage
MATCH	No	Matching Contribution	Matching Contribution	No	
PS	No	Profit Sharing	Profit Sharing Contribution	No	

Close Update

- Prior Year Terminated Employees (that are not on your census upload):
- To override vesting service for an employee terminated in a prior year the user will simply upload the vesting history via the “Service” upload history option and run the data scrub. For additional instructions for uploading vesting history, click [here](#).
- The system will calculate the vesting service based on the history uploaded.

### Subsequent Plan Years on the System

- Active Employees: To override individual vesting service override for active employees in subsequent years on the system: Edit Census -> Select Participant -> Eligibility -> First, set “Override calculation of prior year cumulative service for vesting purposes” to “Yes”. Then change the “Prior years of cumulative service for vesting” to the appropriate number of vesting years of service (prior to the current year). Last, run the data scrub.

Home > Edit Company > Edit Plan > Compliance > Data Entry Grid > Participant Menu

Company: Test Company ID:  
Plan: Demo Plan ID:  
Year End: 12/31/2013

Participant: EE1, FN1 [View History](#) | [Vesting Override](#)

Compliance Menu

- ◀ Census
- Tasks
- ◀ Transactions
- ◀ Miscellaneous
- ◀ Tools/Settings
- ◀ Plan Specifications

Participant Data - Expand All Applicable / Expand All / Collapse All

Master File

General Status

Eligibility

Override calculation of prior year cumulative service for vesting purposes  Yes /  No

Vesting service in current plan year

Prior years of cumulative service for vesting

- Prior Year Terminated Employees (that are on your census upload):
- To hardcode the vesting percentage for an employee who will not accrue any additional vesting: click on “Edit Census” from the main Compliance Menu screen -> Select the participant from the drop-down box -> click “Vesting Override” link -> Set override to “Yes” for each source you wish to override -> Enter the vesting percent for each source -> Press update.
- Note: The percent that is entered here will not change in future years under any circumstances until the percentage is again changed or the override is set back to “No”.

Home > Edit Company > Edit Plan > Compliance > Data Entry Grid > Participant Menu Updates Help

Company: Test Company ID:   
 Plan: Demo Plan ID:   
 Year End: 12/31/2013

Participant: **EE1, FN1** [View History](#) | [Vesting Override](#)

Compliance Menu

- ◀ Census
- Tasks
- ◀ Transactions
- ◀ Miscellaneous
- ◀ Tools/Settings
- ◀ Plan Specifications

Participant Data - [Expand All Applicable](#) / [Expand All](#) / [Collapse All](#) Print

- ▶ Master File
- ▶ General Status
- ▶ Eligibility
- ▶ Compensation
- ▶ Contribution
- ▶ Other

Vesting Override X

Participant: EE1, FN1

SourceID	Suppress	Source Name	Source Desc	Override	Vesting Percentage
MATCH	No	Matching Contribution	Matching Contribution	No <input type="text"/>	<input type="text"/>
PS	No	Profit Sharing	Profit Sharing Contribution	No <input type="text"/>	<input type="text"/>

- Prior Year Terminated Employees (that are not on your census upload):
- To override vesting service for an employee terminated in a prior year the user will simply upload the vesting history via the “Service” upload history and run the data scrub. For additional instructions for uploading vesting history, click [here](#).
- The system will calculate the vesting service based on the history uploaded.

### Vesting FAQ's

- FAQ: Why are my prior terms shown as being 0% vested? Check your current year census. No prior year terms should be on the census. To remove prior year terms from the census grid click “Edit Census” -> Select the participant from the drop-down box -> Press “Delete Participant”. These employees will now appear above the census grid.

Participant Name	SSN	Birth Date	Yrs Service	Participation Start	NRA	NRA Date	FTW Source	External Source	Vesting Override	Vesting Percent	Prior Distribution
Plan Name											
Vesting Report for Year End: 2012-12-31											
Financial Data Import Vendor: Generic											
Last, First 1	100-01-0001	1/2/1940	6 N/A	Yes	1/2/2005	401K	A;B;C;K;M;P;Q;R	No	100	-15000	
Last, First 1	100-01-0001	1/2/1940	6 N/A	Yes	1/2/2005	ROTH		No	100	0	
Last, First 1	100-01-0001	1/2/1940	6 N/A	Yes	1/2/2005	MATCH		No	100	0	
Last, First 1	100-01-0001	1/2/1940	6 N/A	Yes	1/2/2005	QMAC		No	100	0	
Last, First 1	100-01-0001	1/2/1940	6 N/A	Yes	1/2/2005	QNEC		No	100	0	
Last, First 1	100-01-0001	1/2/1940	6 N/A	Yes	1/2/2005	PS	D;F	No	100	0	
Last, First 2	100-01-0002	2/21/1945	3 N/A	Yes	2/21/2010	401K	A;B;C;K;M;P;Q;R	No	100	0	
Last, First 2	100-01-0002	2/21/1945	3 N/A	Yes	2/21/2010	ROTH		No	100	0	
Last, First 2	100-01-0002	2/21/1945	3 N/A	Yes	2/21/2010	MATCH		No	100	0	
Last, First 2	100-01-0002	2/21/1945	3 N/A	Yes	2/21/2010	PS	D;F	No	100	-13000	
Last, First 3	100-01-0004	5/4/1970	2 N/A	No - Age	N/A	401K	A;B;C;K;M;P;Q;R	No	100	0	
Last, First 3	100-01-0004	5/4/1970	2 N/A	No - Age	N/A	ROTH		No	100	0	
Last, First 3	100-01-0004	5/4/1970	2 N/A	No - Age	N/A	MATCH		No	20	0	
Last, First 3	100-01-0004	5/4/1970	2 N/A	No - Age	N/A	PS	D;F	No	20	0	