

4.6. Top Heavy Test

12/04/2024 3:50 pm CST

Q.S. Tip: Transactions must be posted to perform the Top Heavy Test, therefore, complete Step 5 then return to Step 4.6.

To determine if the plan will be top heavy for the next plan year, run the Top Heavy Test. Expand the Top Heavy Test section; first you can set testing parameters. Review the parameters under, "Top Heavy for Next Year". When selecting which transactions to use when calculating participant balances, select "All Transactions other than ending balance" if you have investment activity posted. However, if you are only uploading Ending Balances, select "Ending Balances only". After the test is run the results will be displayed on the results screen and in the parameters screen. Note that the key employees in the test are those listed in the "Key Status - Next Year" report.
