

HR professionals should consult with knowledgeable retirement plan professionals including their recordkeeper, third party administrator, plan advisor, consultant, and/or ERISA attorney to ensure they are on track with compliance with IRS and DOL regulations that govern their employer-sponsored retirement plan. In general, this checklist applies to defined contribution retirement plans that have a start date of January 1st. The following items should be completed during the second half of the year.

7/1 - Ensure operational plan processes are documented for regulatory compliance with smart workflow and secure accessibility. Ensure year-round readiness for IRS audits and DOL investigations.

7/28 - For calendar year plans that had amendments effective on January 1, employers or their providers must issue a Summary of Material Modifications (SMM). July 28th is the 210th day after these amendments took place.

7/31 - Employer Plan Sponsors are required to file their 2020 Form 5500 (on time) or 2020 Form 5558 (2 ½ month extension).

8/14 - Employers or their designated providers must administer to participants 2nd quarter benefit statements. Statements are due no later than 45 days after quarter-end for calendar year plans.

9/30 - Employers or their designated providers should distribute the Summary Annual Report (SAR) unless Form 5500 filing extension was requested.

10/1 - Ensure operational plan processes are documented for regulatory compliance with smart workflow and secure accessibility. Ensure year-round readiness for IRS audits and DOL investigations.

10/15 - Employer Plan Sponsors are required to file their Form 5500 based on 2 ½ month extension from the July 31st deadline.

11/14 - Employers or their designated providers must administer to participants 3rd quarter benefit statements. Statements are due no later than 45 days after quarter-end for calendar year plans.

12/1 - Deadline to distribute 404a-5 Plan and Investment Disclosure.

12/1 - Deadline to distribute applicable participant notices: qualified automatic contribution arrangement (QACA) notice, qualified default investment alternative (QDIA) notice, automatic contribution arrangement (ACA) notice, EACA notice, and/or safe harbor notice. Distribute contingent safe harbor notice for current year if making safe harbor contribution and amend plan document.

12/31 - IRS deadline for nondiscrimination testing corrective action in order to avoid consequences under EPCRS for the current plan year being tested.

12/31 - Issue checks for annual RMDs.

12/31 - Adopt discretionary amendments for the current plan year.

12/31 - Plan out 2022 for operational plan processes and regulatory compliance.

RoboVault™ by Advice Analytics is a smart 401(k) digital assistant with the following features:

- ❑ Store and share files securely
- ❑ Customizable alerts made for the plan
- ❑ Smart workflow that tells you what to do next
- ❑ Fast and audit-ready file access
- ❑ Easy and clean user interface

General best practices for plan sponsors include:

- ❑ Audit-ready organization
- ❑ Proper document storage
- ❑ Automatic alerts reminding you about document deadlines

*Below are the items for the first half of the year.

1/31 - Employers or their designated providers must mail IRS Form 1099-R to plan participants who earned a distribution in the previous year.

2/14 - Employers or their designated providers must administer to participants 4th quarter benefit statements. Statements are due no later than 45 days after quarter-end for calendar year plans.

3/15 - Distribute any 2020 ADP (Actual Deferral Percentage) / ACP (Actual Contribution Percentage) nondiscrimination testing failure corrections (refunds, excess contributions, etc.) in order to avoid the 10% IRS excise tax for calendar year plans (non-safe harbor 401(k) plans only). Note a June 30th deadline for plans that satisfy the requirements of an eligible automatic contribution arrangement (EACA). Check with your ERISA professional to determine applicability based on 2020 conditions and legislation resulting from the pandemic.

3/16 - Unless there is a filing extension, some plan sponsors may need to deposit employer contributions for unincorporated entities and file corporation and S-corp tax returns.

4/1 - Ensure operational plan processes are documented for regulatory compliance with smart workflow and secure accessibility. Ensure year-round readiness for IRS audits and DOL investigations.

4/1 - Participants that attained age 70 ½ in 2019 should have received their Required Minimum Distribution (RMD) by April 1, 2020. However, for details on the impact that resulted from the CARES Act for these participants, see here. Participants that reach 70 ½ in 2020 or later must take their first RMD by April 1st of the year after they reach 72. See here for more details about how SECURE Act affected RMDs.

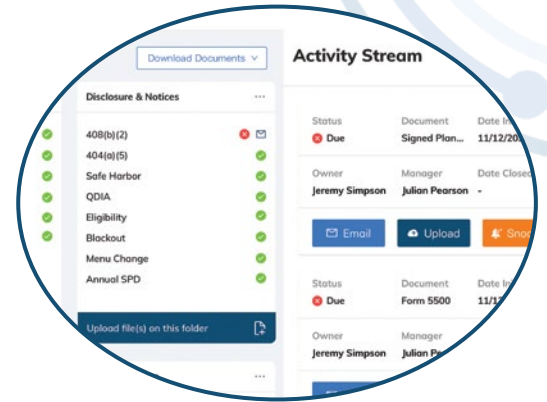
4/15 - Last day to distribute any amounts deferred in excess of IRC Section 402(g) limit (\$19,500 for 2020).

5/15 - Employers or their designated providers must administer to participants 1st quarter benefit statements. Statements are due no later than 45 days after quarter-end for calendar year plans.

6/30 - Distribute any 2020 ADP (Actual Deferral Percentage) / ACP (Actual Contribution Percentage) nondiscrimination testing failure corrections (refunds, excess contributions, etc.) for eligible automatic contribution arrangement (EACA) plans in order to avoid the 10% IRS excise tax for calendar year plans. Check with your ERISA professional to determine applicability based on 2020 conditions and legislation resulting from the pandemic.

This is not a comprehensive checklist, so please work with your retirement plan professionals for additional deadlines specific to your plan. In general, best practices include:

- Understand the disclosure requirements that need to be sent out to participants (speak with your TPA, advisor, or recordkeeper)
- Ensure audit-readiness by having proper documentation
- Have easy access to documents



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What makes compliance difficult:

- Manual workflow processes without documentation
- Required plan files and supporting documents scattered across multiple locations
- Turnover of key staff and loss of historical expertise
- Defined contribution plan design bespoke to company
- High costs of testing, compliance, mitigation, and correction

Examples of audit failures:

- Plan sponsors overlook their fiduciary responsibilities and plan terms are not being followed
- ADP/ACP Nondiscrimination tests are not satisfied
- Failure to meet "minimum employee coverage requirements"
- IRS limits and adherence to rules regarding loans and withdrawals (under ERISA, plan, IRS) are not met.