

Quick Reference Guide for your Retirement Plan



As you work with The TPA Experts, this guide will give you a quick overview of some important topics for overseeing your plan:

Employee Eligibility

When an employee becomes eligible to participate in the plan, you must provide the employee with:

- A copy of the plan's Summary Plan Description (SPD) and all Summary of Material Modifications (SMM, if applicable)
- Enrollment Form, or instructions regarding how to enroll online
- Automatic Enrollment Notice (if applicable)
- Beneficiary Designation Form
- Fee Disclosure Notice (if applicable)
- Safe Harbor Notice (if applicable)
- Qualified Default Investment Alternatives (QDIA) Notice (if applicable)
- Universal Availability Notice (403b plans only)

Deferral and Loan Repayment Timing

Employee deferral and loan repayments must be remitted to the plan as soon as possible after being withheld from employees' pay. The Department of Labor (DOL) provides a safe harbor period of seven business days to deposit employee deferral contributions and participant loan repayments for retirement plans with fewer than 100 participants.

The DOL did not expand this rule to cover plans with 100 or more participants, therefore we continue to recommend depositing deferrals and loan payments to these plans within 3-5 business days after payroll checks are distributed.

Additionally, all employee and employer contributions must be deposited to the plan. Even if a participant terminates employment, any contributions to that participant must be sent to the plan; you cannot send a company check to the participant or the participant's IRA.

Contribution Limits

There are maximum contribution limits for Employee Deferrals and Employer Contributions. In 2025, the maximum a participant may contribute to the plan for the 2025 calendar year is \$23,500. If your plan allows catch-up contributions, a participant who is 50 years old or older may be able to contribute an additional \$7,500 as a catch-up contribution. There are other limits that may also apply. Please contact your Plan Consultant for more details or check out the Resource Library on the thetpaexperts.com.

PLEASE NOTE: the maximum compensation that may be considered when calculating an Employer Contribution is \$350,000 for the 2025 plan year. For instance, if you have a "Safe Harbor" plan that requires an employer contribution of 3% of pay, the maximum "Safe Harbor" contribution would be \$10,500 (\$350,000 x 3%). You may have other types of Employer Contributions in addition to the "Safe Harbor", but they would all be calculated using a maximum \$350,000 compensation amount.

Employer Contributions

Employer Contributions (excluding required Safe Harbor Contributions) should not be deposited to the plan until after the end of the plan year. Many plans have a year-end employment and/or a 1,000-hour requirement in order to share in the allocation of profit-sharing contributions. Every plan also has a specific allocation formula, specific to profit-sharing contributions. Since you will not know who will meet all the requirements until the last day of the plan year, you should not “pre-fund” any profit-sharing contribution. If you want to accumulate the profit-sharing contribution throughout the year, you can open a separate corporate account just for this purpose, then after the profit-sharing allocation is determined you can transfer the funds over to the plan account.

Profit Sharing Contributions

If you are making a discretionary profit-sharing contribution, annual discretionary employer match contribution or annual Safe Harbor contribution, it must be deposited by your tax filing deadline, including extension.



Plan Documents

It is very important that the following items pertaining to your qualified plan be retained by you in a manner so they can be retrieved should your plan be chosen for an audit by either the IRS or DOL.

The following must be kept for all years since inception of the plan:

- Executed (signed and dated) plan documents including all amendments, determination letters (or opinion letters)
- All Summary Plan Descriptions (SPD)
- All Summary of Material Modifications (SMM)

The following must be kept on file for a minimum of seven years (six years after the filing date of that year's Form 5500):

- Participant notices and documentation of the dates and method of delivery.
- Participant election forms such as enrollments, deferral elections (even if zero) and investment elections, for all eligible employees, even if they choose not to participate.
- Census information including payroll data and employment history
- The TPA Experts' Annual Plan Administrator's Report
- Form 5500s forms (with signatures) including attachments
- Plan account and financial statements, including:
 - Recordkeeping reports (reports from The TPA Experts as well as your investment provider)
 - Participant loan documentation including promissory notes
 - Completed participant distribution forms including 1099R forms
 - Fidelity Bond information

Regardless of your storage method (paper or electronic) your company is ultimately responsible to produce files requested in the event of an audit. The DOL has clarified the use of electronic systems to retain the above information. They must allow conversion to legible paper copies and be capable of retaining and retrieving of data and cannot inappropriately limit access to the records.

Bonuses

If your company pays bonuses, the bonus is most likely subject to deferral withholding. Depending on your document, an employee who receives a bonus may be required to make a separate election regarding deferrals withheld from his or her bonus, or their regular deferral election may apply. Please contact your The TPA Experts' consultant prior to paying bonuses if you are unsure of the procedure for withholding deferrals from bonuses. (Note: If you fail to withhold a deferral from a bonus, you may be liable to make a contribution to the participant in the amount that should have been withheld from the bonus.)

Distributions and Loans

If a participant in your plan needs a distribution or loan (if loans are allowed in your plan), please direct them to the plan's recordkeeper/investment platform, accessible via the participant website or participant service line.

Recognizing your concern for the safety of your participant's personal data, please encourage participants to direct these inquiries to the platform. The platform's cybersecurity systems, personnel and recorded phone lines are well prepared to verify identity and address questions regarding the request process. Following a distribution request submission, we will review for the request for compliance with your plan document.

Beneficiary Forms

Beneficiary Forms completed by plan participants should be maintained in the employee's personnel file. The TPA Experts does not maintain copies of these forms. Although not required, we suggest having the forms updated by participants every year or two.

Changes to your Company

If you are considering buying a company, selling your company or changing your business entity please contact your The TPA Experts' Consultant immediately as your plan might need to be amended BEFORE any transactions are finalized.

Partial Plan Terminations

If during a plan year, there are a significant number of participants whose employment is involuntarily terminated it could be deemed that the plan incurred a partial termination. If that occurs, all employees who terminated during the plan year (whether voluntarily or involuntarily) in which the partial termination occurred must become fully vested in their accounts. Please let us know if this situation might apply to those who terminated.

PLEASE NOTE: The partial plan termination determination is not affected by employees who voluntarily terminate if documentation is on file that supports their voluntary resignation. Therefore, The TPA Experts recommends that you obtain written notification from employees who voluntarily terminate so that they are not counted in making this determination.

**If you have any questions, please reach out to your Plan Consultant
or send us an email at info@thetpaexperts.com**