Dear Subscriber:

This communication is with regard to the PPD Cycle 3 DC plan product ONLY.

As part of the Cycle 3 document set, the entity listed as Mass Submitter is allowed to create amendments that apply to all pre-approved plan document users. FIS Business Systems LLC is listed as the Mass Submitter for the PPD Cycle 3 document. While it is not typical for FIS to act as Mass Submitter to create document-level amendments, the IRS recently recommended changes to the PPD document that applies to all users and FIS created a Mass Submitter level plan amendment in accord with their guidance.

**Summary of the issue**

In an effort to assist an Employer in successfully completing the Plan’s year-end coverage testing, the FIS PPD Basic Plan document allows the document drafter to create and administer various tiers of employees that can be added to the coverage group for a specific plan year. Specifically, for plans which utilize allocation conditions, the Basic Plan Document allows for the addition of various employee groups that were not otherwise benefiting to the testing population until the ratio percentage test is passed. Also, within those tiers, there are tiebreaker provisions that further delineate which employees will receive an allocation for a specific plan year.

The requested change is to reflect that the tiebreaker within a coverage tier is to be based upon the greatest hours of service during the plan year rather than the lowest compensation, which had been the standard in the EGTRRA and PPA versions of the document, as well as Cycle 3.

**Adjustment to the document on a go-forward basis**

FIS amended and adjusted Section 3.06(F)(3) of the PPD Basic Plan Document and Appendix B(d)(9)(c) of the PPD Adoption Agreement to correspond with the next systems release, scheduled for August 23, 2021.

**For plans that have already adopted these Plan provisions**

The changes to Appendix B of the FIS PPD Adoption Agreement are intended to be effective on a prospective basis, meaning that reliance for those that have already utilized the describe line within Appendix B(d)(9)(c) is not impacted. For the FIS PPD Basic Plan Document, the Mass Submitter amendment specifically states that the language is effective for testing in **plan years beginning after December 31, 2021.** As such, there is no immediate impact to Cycle 3 restated plans.

Please contact us with additional questions related to this amendment. Thank you for being a FIS customer.