

# Advanced Cross-Tested Plans Workshop

## Agenda

- 8:00 a.m. Registration check-in/Coffee and Danish.
- 8:30 a.m. **Overview of coverage, nondiscrimination and compensation requirements.** Excludible vs. nonexcludible employees; ratio percentage test; average benefits test (nondiscriminatory classification test and average benefit percentage test); nondiscrimination safe harbors; general nondiscrimination test; rate group testing; safe harbor definitions of compensation; determination of highly compensated employees.  
**The Mechanics of Cross-Testing.** Types of cross-tested plans; calculating EBARs; age-based plan allocations; testing calculations; case studies.  
**Minimum Allocation Gateways.** Requirements; broadly available allocation rates; gradual age or service schedule – rules and strategies; contributions that satisfy gateway; participants entitled to gateway; otherwise excludible employee rule.  
**Combination 401(k) and Cross-tested Plans.** Disaggregated plans (nonelective, match and elective deferrals); rate group testing for nonelective contributions; required aggregation if using the average benefit test; minimum gateway; safe harbor 401(k) (nonelective vs. match); contributions that do “double duty.”
- 12:00 p.m. Lunch (provided)
- 1:00 p.m. **Designing and Troubleshooting a Cross-Tested Plan.** Plan design differences; designing allocation groups; determining contributions; combination safe harbor 401(k) and cross-tested plan; design alternatives; “Carol Gold” letter; plan corrections; “each participant in own classification”; flexibility of plan design; examples of how design facilitates corrections and troubleshooting; dealing with the deemed 401(k) plan issue.  
**Restructuring into Component Plans.** Breaking-up plan into component plans; plan requirements; testing differently (contributions or benefits); beneficial with different demographics of HCEs; “entire” plan requirements: coverage, top-heavy and minimum gateway; using restructuring to reduce employer costs; otherwise excludible employee rule; case studies.  
**Family Members.** Using working-spouse and children to increase disparity; restructuring into component plans.  
**Other Testing Options.** Imputing permitted disparity; average compensation; averaging EBARs; rate group banding.  
**11(g) Amendments.** Parameters of the amendment; is failure a condition? amendment options.
- 4:00 p.m. Adjournment