

Fundamentals of 401(k) and Other Qualified Plans

Qualification, ERISA, and More

Agenda

Day 1

8:00 a.m. Registration check-in/Coffee and Pastry

8:30 a.m. **Types of Qualified Plans** – Factors to consider in plan selection, basic 401(k) concepts and qualification requirements; Roth 401(k) plans; automatic enrollment 401(k) plans.

Eligibility and Participation – Minimum age and service requirements; excluding employees; entry dates; time of participation; timing of salary reduction agreements; break-in-service rules; 2-year/100% vesting.

Elective Deferral Limits – Limitations; catch-up contributions; excess deferrals; correction/taxation reporting.

11:45 a.m. Lunch (provided)

1:00 p.m. **Vesting** – Minimum vesting standards; cash-outs/buy backs; forfeiture considerations; permitted vesting schedules after PPA; changes in vesting schedules; effects of partial termination and plan termination; protected distribution options: the anti-cutback rule.

Coverage Testing – Identifying highly compensated employees; ownership attribution; 401(k) plan disaggregation; ratio percentage test; testing plan components; effect of 1,000-hour/last-day accrual requirements; correcting coverage failures.

4:30 pm. Adjournment

Day 2

8:00 a.m. Coffee and Danish

8:30 a.m. **Nondiscrimination Testing/Plan Allocations** – Section 401(a)(4) requirements; testing alternatives; nondiscriminatory compensation; annual compensation limitation; permitted disparity; rights of reemployed veterans; HEART Act requirements; allocating trust earnings and forfeitures; identifying discriminatory rights/features.

401(k) Plan Nondiscrimination Testing – ADP and ACP testing mechanics; correcting test failures; otherwise excludible employee rules; amendment timing rules; excise taxes; eligible automatic contribution arrangements (EACAs); discriminatory match rate; QNECs and QMACs; SIMPLE plans.

11:45 a.m. Lunch (provided)

- 1:00 p.m. **Safe Harbor 401(k) Plans/QACAs** – Benefits and designs; employer contribution alternatives; ADP vs. ACP safe harbor; safe harbor notice; late adoption option; exiting the safe harbor; qualified automatic contribution arrangements (QACAs).
- Employer Contribution** – Deduction limitations; includible compensation; separate deductibility of 401(k) deferrals; deductions for the self-employed; employer excise taxes.
- 415 Limits** – Annual addition limitations; post-severance compensation; crediting annual additions.
- Related Business Organizations** – Controlled group considerations (definitions, coverage, contributions, acquisitions); affiliated service groups; leased employees.
- 4:30 p.m. Adjournment
- Day 3**
- 8:00 a.m. Coffee and Danish
- 8:30 a.m. **Top-Heavy Plans** – Determination and effect of top-heavy status; satisfying top-heavy minimum in 401(k) plan; safe harbor 401(k) plan exemption; key employee definitions; top-heavy minimum contribution.
- Plan Distributions** – General taxation of distribution rules; early distribution tax; required minimum distribution (RMD) rules; handling lost participants; 401(k) restrictions; hardship distributions; Roth 401(k) distributions; eligible rollover distributions; automatic IRA rollover requirements; participant loans; deemed distributions; participant and spousal consent requirements; non-spousal beneficiary rollovers; qualified domestic relations orders (QDROs).
- 11:45 a.m. Lunch (provided)
- 1:00 p.m. **Plan Distributions. (continued)**
- Prohibited Transactions/Fiduciary Responsibility/401(k) Assets** – Late deposit of deferrals; penalties; participant direction of investment; default investment protection; participant fee disclosures; disqualified persons; direct and indirect prohibited transactions; service provider fee disclosures; excise tax calculation; statutory exemptions; participant loan issues.
- Correcting Administration Errors/Government Reporting** – IRS correction program (EPCRS); correcting common 401(k) plan errors, filing requirements (Forms 5500 and 1099-R) and deadlines.
- 4:00 p.m. Adjournment