

THE PENTEGRA 3(16) ADMINISTRATOR ADVANTAGE

Shift legal and operational burdens
of the Plan Administrator role
from your organization to ours.



Pentegra's 3(16)(A) Fiduciary Administration Services

Plan Operational Oversight and Compliance

- Accept responsibility under ERISA 404(a)(1)(D) for ensuring that the plan is operated in accordance with the terms of the plan document subject to the fulfillment of any responsibilities retained by the employer
- This is an extremely broad responsibility: "operational compliance" is a catch-all term covering nearly everything that can go wrong in a retirement plan
- Includes the many requirements that must be met for a plan to be "qualified" for tax purposes
- Ensure proper documentation and ERISA 107/209 records retention

Plan Document Administration

- Prepare plan document and ensure compliance with applicable laws
- Prepare plan adoption and trust agreements
- Prepare plan qualification package
- Ensure plan document is amended as required by new laws, regulations, and mandatory restatements
- Obtain favorable letters of determination
- Maintain records of historical plan documents

New Hire and Termination Processing

- Identify eligibles based on plan provisions and employer-provided data and automatically mail packet to address of record
- Administer auto-enroll provisions
- Complete, up-to-date enrollment materials
- Online enrollment process with live telephone backup

Participant Fee Disclosure

- Compliance with DOL Reg. Sec. 2550.404a-5
- Gather fee information from third parties and collate the data to create the plan's disclosure documents
- Ensure timely delivery of disclosures annually and to newly eligible employees in accordance with the DOL's rules on document delivery

Hardship Distributions

- Cross-reference plan document rules since each plan may be different
- Test for both existence and amount of need
- Take only from allowable sources and only after exhausting loans and ISDs
- Suspend deferrals for six months and reinstate promptly when applicable
- Keep careful documentation of every distribution for the ERISA 107 period

Loans and Loan Repayments

- Establish written loan policy as supplement to plan document
- Review and approve loans; remove employer from loop except for payroll deductions
- Ensure amortization periods match actual payroll implementation
- Ensure each loan agreement is executed and documented
- Enforce quarterly deadlines and deemed distribution requirements

Distributions and QDROs

- Review and ensure the qualified status of domestic relations orders (DROs)
- Ensure that alternate payees are given their ERISA participant rights
- Review and approve distributions, including determinations of disability, death, retirement, or other distributable events
- Ensure that the appropriate notices are delivered and that the tax withholding rules are properly applied

Forfeitures and Suspense Accounts

- Ensure that all unallocated monies are used to offset employer contributions, pay plan expenses, or are allocated to participants by plan year end
- Includes revenue sharing held within the plan, monies returned to the plan such as expense reimbursements, forfeitures, demutualization proceeds, legal settlements, etc.

Corrections and E&O

- SCP, VCP, Audit CAP, DFVCP, and VFPC calculations, preparation of government submission, follow-up, and implementation of corrections
- Maintain an E&O account for trustee plans to ensure an audit trail for corrections
- Maintain insurance and reserves at appropriate levels at or in excess of regulatory requirements

Service Provider Selection and Oversight	Participant Notices, Statements and Disclosures	Plan Audit
<ul style="list-style-type: none"> • Prudent hiring of service providers not appointed directly by employer such as auditor and custodian • Review vendor fee disclosures and ensure reasonableness of fees • Responsibility for the reasonableness of Pentegra’s own fees (though only the employer can make the final determination) • Regular monitoring of Pentegra-appointed service providers to ensure they remain prudent and fees remain reasonable 	<ul style="list-style-type: none"> • Preparation of notices and disclosures such as SPD, SMM, SAR, 404(c), QDIA, ACA, Safe Harbor, and 402(f); contrast with how a non-fiduciary TPA provides a boilerplate document the employer is supposed to review and approve • Ensure document delivery compliant with DOL rules on electronic disclosure • Includes beneficiaries, alternate payees, and other “interested parties” 	<ul style="list-style-type: none"> • Select and monitor plan auditor in accordance with joint DOL/AICPA guidelines • Negotiate volume discounts • Serve as primary liaison with auditor; remove employer from loop to the maximum extent possible • Prepare plan financial statements to meet the letter of AICPA independence guidelines • Obtain and make available an SSAE 16 audit on internal controls to allow for a limited scope audit

Contributions	Government Filings	Compliance Testing
<ul style="list-style-type: none"> • Establish and enforce ERISA 402 funding policy for timing of remittances • Maintain proper source accounts and tax basis • Ensure proper investment of contributions of “defaulted” participants • Ensure rollovers into the plan are from qualified sources 	<ul style="list-style-type: none"> • Prepare and submit filings such as Form 5500 Annual Report with applicable Schedules, Form 5558 extensions, Form 5330 prohibited transaction tax reports, PBGC premium filings, and more • Tax reporting, state and federal, including 1099-R, 1096, 945, and 1099-MISC 	<ul style="list-style-type: none"> • Determine plans to include for compliance testing • 401(a)(4) Nondiscriminatory Allocations • 401(a)(9) RMD • 401(a)(26) Minimum Participation testing • 402(g) Excess Deferrals • 404 Maximum Deductible Contributions • 410(b) Minimum Coverage testing • 414(s) testing for non-safe harbor compensation • ADP/ACP testing • 415 Annual Addition testing • 416 Top Heavy testing

Claims and Benefit Determinations	Annual Plan Review Process
<ul style="list-style-type: none"> • Establish and administer ERISA-compliant claims process • Verify identity of beneficiaries • Make benefit determinations in accordance with the plan document and ERISA • Ensure QJSA/QPSA rules are met and proper waivers obtained, including spousal consent on all loans and distributions with respect to protected sources 	<ul style="list-style-type: none"> • Establish plan governance process and checklist • Provide completed checklist and annual review report annually • Review service provider performance and fees

<ul style="list-style-type: none"> • Nondiscriminatory Benefits/Rights/Features • Determine Highly Compensated Employees and key employees • Prepare comprehensive compliance reporting package • Provide detailed analysis of testing results • Develop corrective scenarios in the event of test failures
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The Pentegra 3(I6) Advantage: We don’t merely help with these tasks, we are responsible for them.



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Difference: Us

Retirement plans with the highest level of integrity

Advantage: Yours

The path to plan success

At Pentegra Retirement Services Our Difference is Your Advantage.

PENTEGRA TPA ADVANTAGE

Pentegra offers a comprehensive array of Third Party Administrative Services. Our in-house ERISA attorneys, consultants and compliance specialists are knowledgeable, experienced and trained to handle the varying complex issues surrounding retirement plans. Our flexible arrangement can include an existing recordkeeper, trustee or investment manager.

PLAN DESIGN & DOCUMENT SUPPORT

Prototype or custom designed plan documents

Summary Plan Descriptions (SPDs)

IRS Determination Letter Submissions (IRS Form 5300/5307)

- Plan amendment and restatement services
- Plan design consulting
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- Plan amendment and restatement services
- Plan design consulting

PLAN COMPLIANCE SUPPORT

- Determination of plans to include for compliance testing
- 401(a)(4) Nondiscriminatory Allocations
- 401(a)(9) Compensation Limitation
- 401(a)(26) Minimum Participation (Defined Benefit Plans)
- 402(g) Excess Deferrals
- 404 Maximum Deductible Contributions
- 410(b) Minimum Coverage Testing
- 414(s) Testing for Non-Safe Harbor Compensation
- ADP/ACP Testing
- 415 Annual Addition Testing
- 416 Top Heavy Testing
- Nondiscriminatory Benefits/Rights/Features
- Determination of highly compensated employees
- Comprehensive compliance reporting package
- Analysis of testing results
- Corrective scenarios in the event of failure
- Preparation of Government filings
- IRS Form 5500 and applicable schedules (A, C, D, E, G, H, I, R, MB, SB, SSA)
- Summary Annual Report (SAR)
- RS Form 5558 (Extension for Form 5500)
- IRS Form 5330
- PBGC Premium filings
- Tax reporting, including Form 1099-R, 1096, 945 and 1099-MISC
- Required minimum distribution notification
- Voluntary Compliance Program Submissions (VCP)
- Legislative and regulatory updates

LEGAL SUPPORT

- Review of Qualified Domestic Relations Orders (QDRO)
- Annual ERISA Notices, including:
 - QDIA, QACA and ACA)
 - Safe Harbor notice
- Automatic enrollment notice
- Required minimum distribution notification
- Summary Annual Report
- Voluntary Compliance Program Submissions (VCP)
- Legislative and regulatory update

PLAN ADMINISTRATION

- Special Handling For "Hard-To-Value" Assets
- Confirm Contributions Deposited Correctly By Source
- Annual Employer Valuation Report
- Related Companies/Common Ownership Review
- Fidelity Bond Requirements Check
- Applicability of Joint & Survivor Annuity Requirements
- Review and Update Census Data
- Review of plan eligibility, re-entry, rehires, forfeiture restoration
- Review of plan matching and other contribution

ANNUAL PLAN CALCULATIONS

- Employer contribution allocations
- Profit sharing calculation with New Comparability Analysis
- Profit Sharing calculation with Age-Weighted, Integrated Analysis
- Forfeiture allocations
- Vesting calculations

Learn more about Pentegra's TPA Advantage. Contact the Pentegra Solutions Center at solutions@pentegra.com, or 855-549-6689.