

The Pentegra 3(16) Difference

Providing TPA Services and Accepting Responsibility for What We Do



SERVICE	CORE TPA SERVICES	3(16) SERVICES Combining Our Core TPA Services with Additional Benefits
Operational Compliance	Pentegra provides assistance to the plan sponsor upon request	+ Pentegra accepts the responsibility of ensuring the plan's operational compliance and continued qualification under ERISA
Plan Document	Pentegra oversees the tax-qualified status of plan Ensures all plan documents are restated timely	+ Pentegra accepts responsibility for continued qualification of the Basic Plan Document, Adoption Agreement, Summary Plan Description and any Amendments or Material Modifications
Form 5500	Pentegra prepares Form 5500 and all applicable schedules Files Form 5558 if required Works with all clients to ensure that Form 5500 is filed timely Prepares amended returns for client to submit	+ Pentegra completes and signs Form 5500 as Plan Administrator and files form and all applicable schedules
Summary Plan Description (SPD) and Summary of Material Modifications (SMM)	Pentegra prepares and sends to plan sponsor to review, approve and deliver to appropriate parties	+ Pentegra prepares and approves documents and accepts responsibility for delivery to appropriate parties
Amendments	Pentegra prepares and sends to plan sponsor for approval and distribution to appropriate parties	+ Pentegra prepares and approves required amendments and accepts responsibility for delivery to appropriate parties
Optional Amendments	Pentegra prepares and sends to plan sponsor for approval, and distribution to appropriate parties	+ Pentegra prepares and approves optional amendments and accepts responsibility for delivery to appropriate parties
Summary Annual Report (SAR)	Pentegra prepares and delivers to plan sponsor for approval and distribution to appropriate parties	+ Pentegra prepares and approves SAR and accepts responsibility for delivery to appropriate parties

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<p>Involuntary Distributions (Force-outs)</p>	<p>Distribution force-out information is communicated to the plan sponsor annually after the prior year's compliance review is completed.</p> <p>The plan sponsor is responsible for notifying terminated participants and providing the applicable notices.</p> <p>The plan sponsor is responsible for initiating the distribution based on the terms of the plan document.</p>	<p>+</p> <p>Pentegra accepts responsibility for determining which participants are eligible for an Involuntary Distribution, providing applicable notices, and approving and initiating the distribution based on the terms of the plan document</p>
<p>Participant Fee Disclosure</p>	<p>Pentegra determines if disclosure is needed and who prepares (Pentegra or investment manager)</p> <p>Pentegra notifies plan sponsor that disclosure is available either on investment manager website or on Pentegra portal for client to distribute to participants.</p>	<p>+</p> <p>Pentegra accepts responsibility for the collection of fee data and construction and delivery of required notices</p> <p>Pentegra will work directly with the recordkeeper who may also construct and deliver their notice or portion thereof</p>
<p>Qualified Domestic Relations Orders QDROs</p>	<p>Domestic Relations Order (DRO) is received by plan sponsor</p> <p>Pentegra reviews to ensure order is complete</p> <p>If order is complete in form and function, Pentegra notifies plan sponsor</p> <p>If not in good order, Pentegra instructs plan sponsor to return DRO to issuing court for correction</p> <p>Pentegra calculates the amount for alternate payee Plan sponsor is responsible for "approving - qualifying" but looks to Pentegra to ensure it's in good order</p>	<p>+</p> <p>Pentegra accepts responsibility for all aspects of qualifying the DRO (thus making it a QDRO) and for executing the distribution in good order</p>
<p>Testing: Coverage/Nondiscrimination</p>	<p>Pentegra performs all testing as applicable to plan provisions</p> <p>Pentegra reports testing failures to plan sponsor and offers corrective measures in the event of a failure</p> <p>Plan sponsor is responsible for approving and instructing Pentegra to effect corrective measures for testing failures</p>	<p>+</p> <p>Pentegra accepts responsibility for determining and implementing corrective actions to solve testing failures</p>
<p>Forfeitures & Suspense Accounts</p>	<p>Pentegra determines forfeitures at plan year end (PYE), advises plan sponsor regarding plan document provisions surrounding forfeiture allocation</p> <p>Plan sponsor instructs Pentegra to allocate forfeitures according to plan document provisions</p> <p>Pentegra works with investment provider, client, or investment advisor to handle direction of use of forfeitures.</p>	<p>+</p> <p>Pentegra accepts responsibility for the determination of forfeitures and for the allocation according to the specifications in the plan document</p>

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<p>Preparation of Notices</p>	<p>Prepared by Pentegra or recordkeeping vendor</p> <p>Delivered to plan sponsor for approval and distribution to employees and/or participants as applicable</p>	<p>+</p> <p>Pentegra prepares and approves notices and accepts responsibility for delivery to appropriate parties</p> <p>Pentegra may utilize systems provided by a recordkeeper partner but Pentegra retains all responsibility</p>
<p>Loans</p>	<p>Recordkeeper prepares amortization schedule (and note if applicable)</p> <p>Pentegra reviews loan based on loan policy, determines that loan amount is within guidelines and does not exceed limits, including vested balances, plan sponsor approves loan</p> <p>Pentegra submits request to recordkeeper to process loan</p> <p>Pentegra notifies plan sponsor to begin payroll deduction of loan payment</p> <p>Pentegra reviews all loans at year-end to determine if loans are on track</p> <p>Notifies recordkeeper of defaulted loans if recordkeeper does not auto default and issue 1099R</p>	<p>+</p> <p>Pentegra replaces plan sponsor by accepting responsibility for, and approving loans</p>
<p>Hardship Withdrawals</p>	<p>Pentegra reviews request submitted by participant</p> <p>Reviews the amount being requested to ensure that it does not exceed allowable amount</p> <p>Reviews documentation to determine if request qualifies</p> <p>If plan allows loans, discusses with plan sponsor that loan must be taken first</p> <p>Submits request to plan sponsor for approval</p> <p>Submits request to recordkeeper</p> <p>Notifies plan sponsor to stop participant's deferrals for 6 months</p>	<p>+</p> <p>Pentegra replaces plan sponsor by accepting responsibility for, and approving hardship withdrawals</p>
<p>Distributions</p>	<p>Reviews request submitted by participant</p> <p>Reviews documentation to determine if request qualifies</p> <p>Submits request to plan sponsor for approval</p> <p>Submits request to recordkeeper</p>	<p>+</p> <p>Pentegra replaces plan sponsor by accepting responsibility for, and approving distributions</p>

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<p>Eligibility for Benefits</p>	<p>Pentegra determines who is eligible for benefits based on information provided by the plan sponsor Plan sponsor approves distribution list</p>	<p>+</p> <p>Pentegra accepts responsibility for the determination and processing of benefit eligibility based on data provided by plan sponsor</p>
<p>Vesting</p>	<p>Service Data (hours worked or elapsed time) is collected at PYE and maintained at Pentegra and (in some instances) at recordkeeper Partial Plan Term (if applicable) is determined during PYE review Plan sponsor reviews and approves vesting Pentegra uploads vesting data to recordkeeper website (when applicable)</p>	<p>+</p> <p>Pentegra accepts responsibility for the accurate recording of vested balances according the Plan Document and using data provided by plan sponsor</p>
<p>Notices: Benefit Claims and Appeals</p>	<p>Pentegra assists client with data research/data gathering if requested Prepares benefit claims for plan sponsor approval or denial</p>	<p>+</p> <p>Pentegra accepts responsibility for the content and accuracy of benefit notices and any claims or appeals based on data provided by the plan sponsor</p>
<p>Interpret Plan Provisions</p>	<p>Pentegra assists clients with interpreting plan provisions Pentegra seeks plan sponsor approval of any and all interpretations or disputes</p>	<p>+</p> <p>Pentegra accepts responsibility for the interpretation of all plan provisions and for the continued qualification of the plan under ERISA</p>
<p>Information: For Employer to Comply with ERISA</p>	<p>Pentegra responds and complies with all requests for information</p>	<p>+</p> <p>Pentegra accepts responsibility for the continued qualification of the plan under ERISA</p>
<p>Preparation of Benefit Packages</p>	<p>Pentegra prepares distribution package and saves to secure portal for plan sponsor to download and distribute to terminated employees.</p>	<p>+</p> <p>Pentegra prepares distribution package or obtains from recordkeeper and distributes package to terminated participant's home address as supplied by plan sponsor Pentegra follows up with terminated employee if package is not acted upon</p>
<p>Document Delivery to Terminated Participants, Beneficiaries and Alternate Payees</p>	<p>Pentegra prepares benefit package and notifies plan sponsor that forms are available on secure portal Plan sponsor is responsible for downloading and distributing any required notices to terminated participants, beneficiaries or alternate payees</p>	<p>+</p> <p>Pentegra accepts responsibility for the preparation and delivery of all applicable notices to terminated participants, beneficiaries and alternate payees</p>
<p>Timing of Employee Contributions and Loan Repayments made via payroll deduction</p>	<p>Plan sponsor is responsible for understanding and abiding by the rules governing the timely remittance of employee contributions Small Plan Form 5500 Filer – 7 Business Days Large Plan Form 5500 Filer – 3 Business Days</p>	<p>+</p> <p>Pentegra monitors timeliness of contributions and holds plan sponsor accountable for maintaining a compliant remittance schedule/calendar</p>