The Webcast will begin shortly.

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2021 Spring Release

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General Enhancements from our ASC System Update Memo

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ASC – Schedule for Release and Patch Files

- Spring and Fall Releases. Spring is typically posted at the end of May or beginning of June. This Fall we expect the release date to be November 8, 2021.

- Patch Files are posted on the 2nd and 4th Monday of each month.

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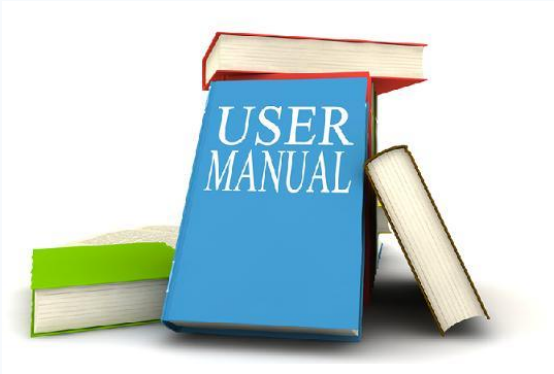
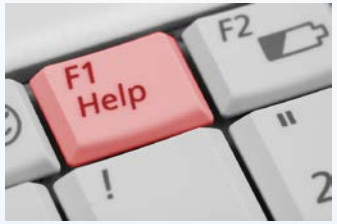
ASC – Updated Manuals and Online Help

- Manuals have been updated for recent program changes and installed on your system with the release. Select Help-Manuals from the ASC main menu to review the latest updated manuals:



  - DB Reference Manual
  - DC/401k Training Manual
  - Compliance Testing Manual
  - Money Manager Link Manual
  - Trading Platform Guide
  - Systems Reference Manual

- Online Help, press <F1> from any Employee field, Plan Spec field, or Menu command.



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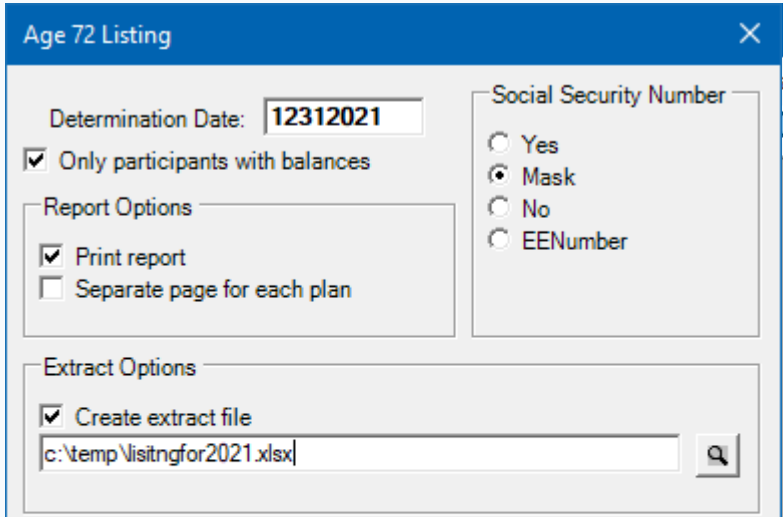
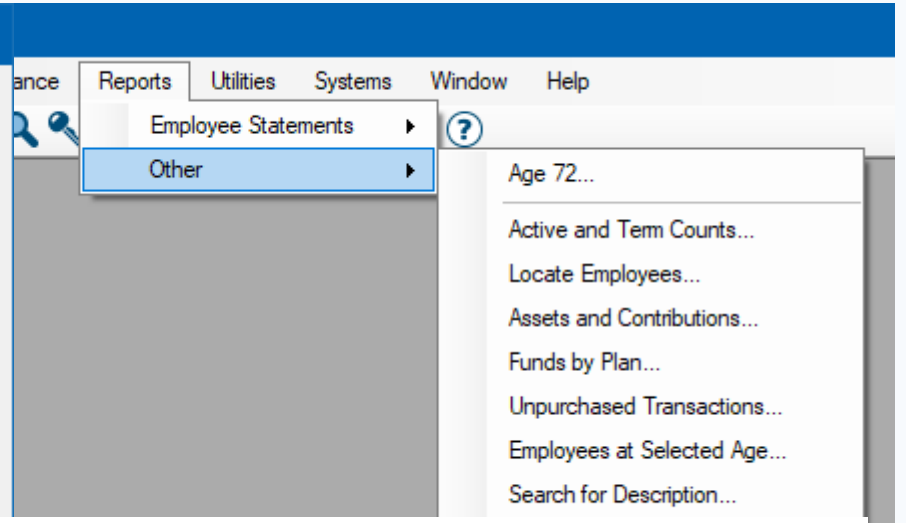
ASC – General Enhancements

SECURE Act Enhancement to the 72 Listing

Reports – Other - Age 72 – Run this report (either on a single plan or with no plans open) to get a listing of employees to help determine who is ready to receive an RMD Required Minimum Distribution. The Report has been updated to identify participants who may now begin taking distributions when they reach age 72.





List of Employees over Age 72
As of December 31, 2021
(Zero Balances Excluded)

Participant Name	Soc Sec #	Date of Birth	Date of Term	Retire Date	Age	Status	Account Balance	Key	Owner Pct	Family Code	Spouse Code	Lin Desc Code
D17, 0001 Training Sample 401k												
Jane Carne	xxx-xx-2222	05/20/1949		05/20/2024	73	B	1,015.50	Y	100.0	0	0	0
Dan Fork	xxx-xx-4444	06/07/1944		06/07/2029	78	B	982,122.38	N	0.0	0	0	0
D17, 0002 SAMPLE PLAN WITH INSURANCE PROFIT SHARING PLAN												

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ASC – DC/401K Enhancements

SECURE Act Enhancement to the Required Minimum Distribution Calculation

- From an opened plan, using Calculations - Individual Employee - Required Minimum Distributions, the system will allow for processing RMDs for individuals 72 or more beginning in 2021.

- Included in this release are the mortality tables for distribution calendar years beginning on or after January 1, 2022 as established in the final regulations effective November 12, 2020.

- https://www.federalregister.gov/documents/2020/11/12/2020-24723/updated-life-expectancy-and-distribution-period-tables-used-for-purposes-of-determining-minimum

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ASC – DC/401k Enhancements

Partial Plan Termination Wizard

A new wizard to add to your tool chest is now available for DC plans. This wizard may be used as a step to help users who are running through their checklists for facts and circumstances in determining if the facts point to a possible partial plan termination. The "COVID Partial Plan Term" wizard will provide a listing of the employees to use for checking the turnover rate for a partial plan termination during the COVID-19 pandemic. The relevant turnover counts are specified as 3/13/2020 and 3/31/2021 regardless of the plan year end.

The plan should be updated to 2021 and for accurate results the census as of 3/31/2021 must be input. Run the wizard from the main ASC menu from the opened plan.

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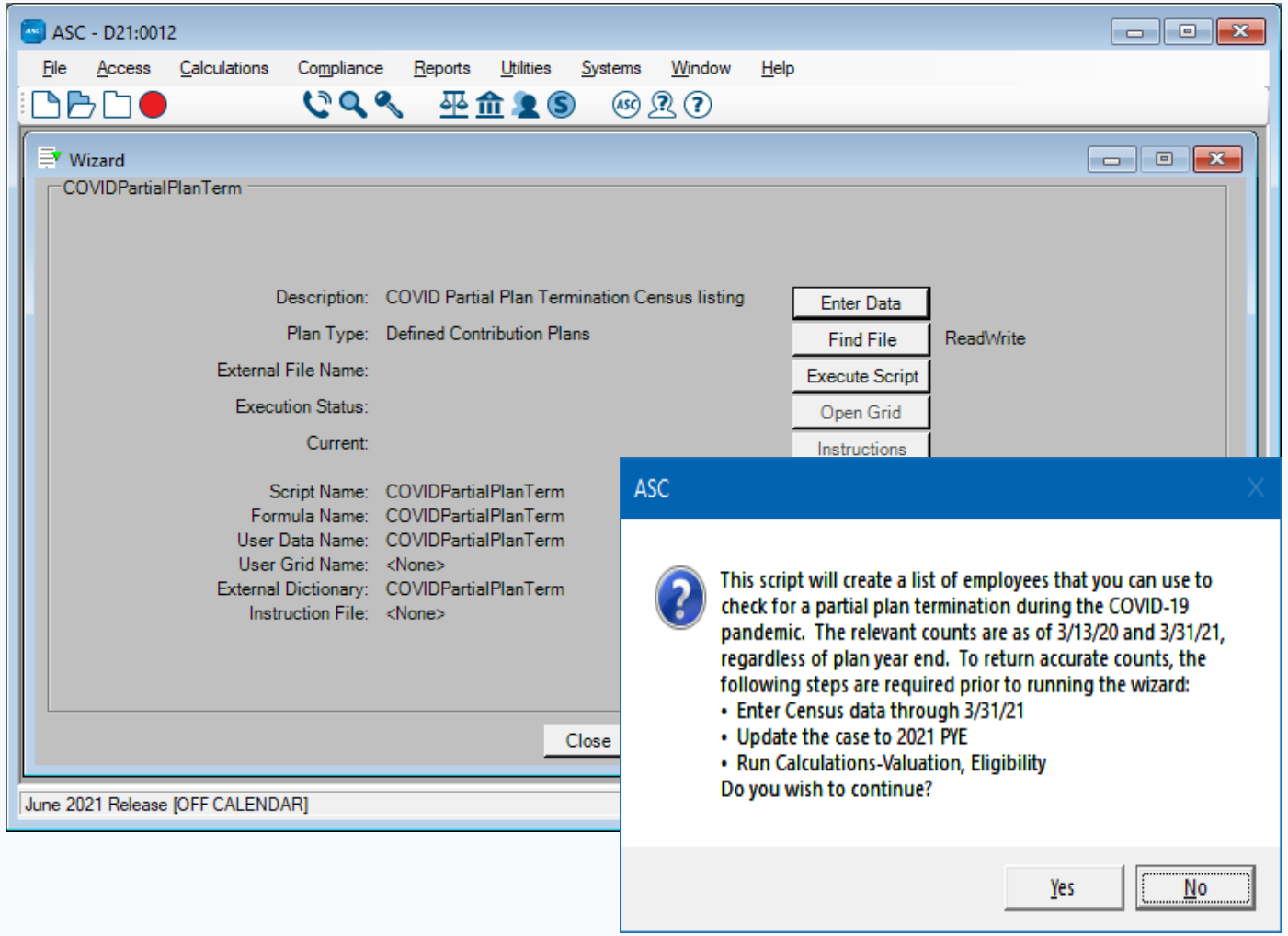
ASC – DC/401k Enhancements

Partial Plan Termination Wizard

Click on Utilities-Wizards-Execute and open the file labeled "COVIDPartialPlanTerm.WZD" from the ASCNET\REPORTS\ folder. Click on Enter Data to provide the path and filename for the export file. Then select "Execute Script". Retrieve the exported text or xls file and open it to review the results.



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ASC – DC/401k Enhancements

Partial Plan Termination Census Listing

Partial Plan Termination Wizard

Retrieve the exported text or xls file and open it to review the results.

Name	SSN	Birth	Hire	Termination	Rehire	Entry	Status	Hours	Excl. Statu	Empl. Stat	Comp	07/31/20 -	07/31/20 - Hire	07/31/20 - Te	07/31/20 -	07/31/20 -	07/31/20 - Comp
GARY,	- -	######	7/23/2012			8/1/2013	A	0	N	F	25000	A	7/23/2012			1500	124404.6
ALEXA	- -	######	9/8/2008	9/24/2020	3/1/2021	2/1/2010	A	450	N	F	11000	A	9/8/2008			1500	54000
BOND	- -	######	5/1/2006			8/1/1998	A	0	N	F	25000	A	5/1/2006			1500	48725.33
BOND	- -	######	6/22/1992			8/1/1998	A	0	N	F	25000	A	6/22/1992			1500	45452.24
BOND	- -	######	#########	3/29/2021		2/1/2013	H	650	N	F	15000	A	12/18/2011			1500	35428.24
CARTE	- -	######	#########	1/29/2021		2/1/2016	H	600	N	F	16000	A	10/20/2014			1500	42499.92
CARTE	- -	######	#########			2/1/2006	A	0	N	F	25000	A	10/11/2004			1500	38754.15
PORT,	- -	######	1/10/1995	2/8/1999		8/1/1998	T	0	N	F	0	T	1/10/1995	2/8/1999		0	0
PORT,	- -	######	1/3/1995	9/20/1999		8/1/1998	T	0	N	F	0	T	1/3/1995	9/20/1999		0	0
FISH,	- -	######	5/29/2011	6/12/2020		8/1/2012	T	0	N	F	0	M	5/29/2011	6/12/2020		1500	35250
KING,	- -	######	6/11/2003			8/1/2008	A	0	N	F	25000	A	6/11/2003			500	20371.93
LEE, M	- -	######	3/16/2020			8/1/2021	S	0	N	F	25000	S	3/16/2020			500	9779.37
PARSC	- -	######	1/30/2014			2/1/2015	A	0	N	F	25000	A	1/30/2014			500	12206.25
PEERY	- -	######	8/8/2014	6/12/2020		2/1/2016	T	0	N	F	0	M	8/8/2014	6/12/2020		1500	34780
ROWL	- -	######	7/20/2015			8/1/2019	A	0	N	F	25000	B	7/20/2015			500	170
SMITH	- -	######	3/11/2019			8/1/2021	S	0	N	F	25000	S	3/11/2019			500	21590.82
WILDE	- -	######	9/25/2017	6/12/2020		2/1/2019	T	0	N	F	0	M	9/25/2017	6/12/2020		1500	50592.75
YOUN	- -	######	3/16/2008			8/1/2009	A	0	N	F	25000	A	3/16/2008			1500	30270.74
YOUN	- -	######	7/7/2014			8/1/2015	A	0	N	F	25000	A	7/7/2014			1500	39750

Total Employees Listed: 19

Active Employees as of 3/13/2020:	15	(Statuses ABC w/DOE on or before 3/13/2020 and statuses HMNT w/DOT after 3/13/2020)
Active Employees as of 3/31/2021:	10	(Statuses ABC w/DOE on or before 3/31/2021 and statuses HMNT w/DOT after 3/31/2021)

Run this wizard if the DC plan is subject to Vesting.

Move forward and calculate a turnover rate using the counts from 3/13/2020 and 3/31/2021.

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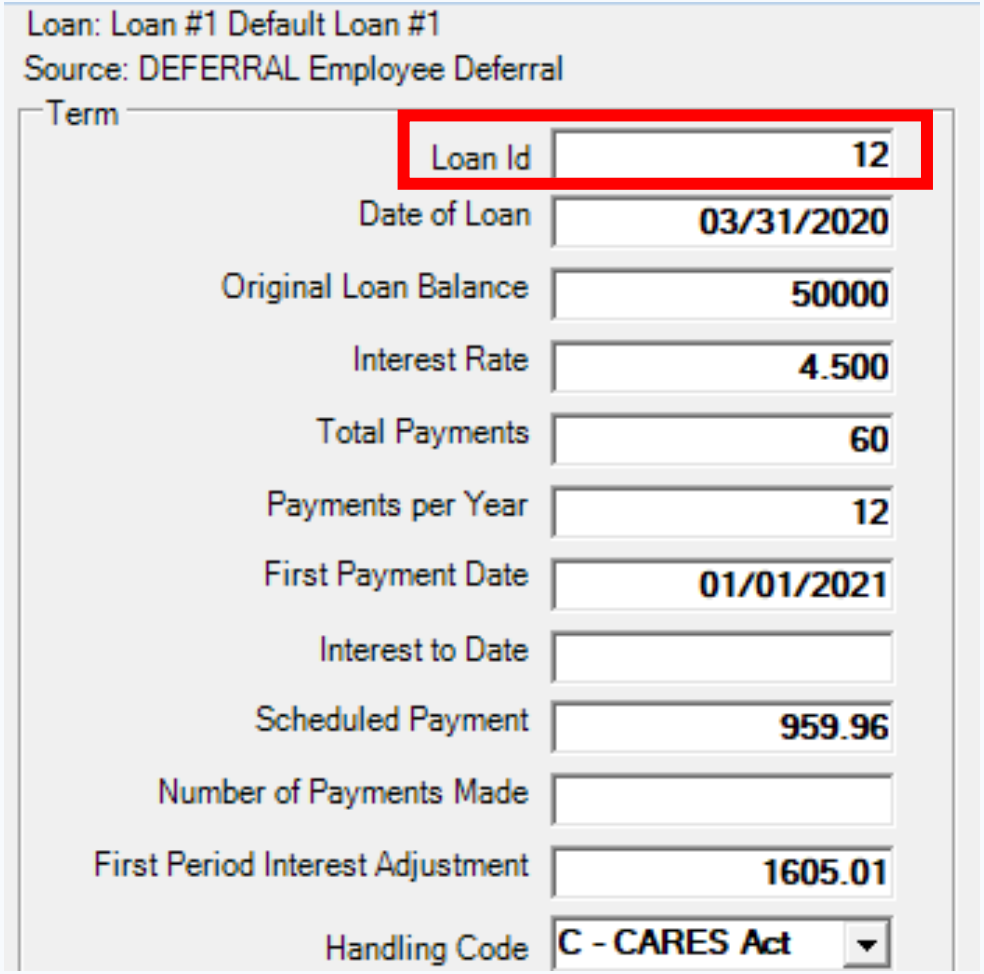
ASC – DC/401k Enhancements

New Loan ID field
May be used to match or connect the loan details to an outside recordkeepers loan number(s). This field located in the EE record and the Loan Accounts, actual loan and source screen, under Term.

Maximum space (2) alpha-numeric characters.



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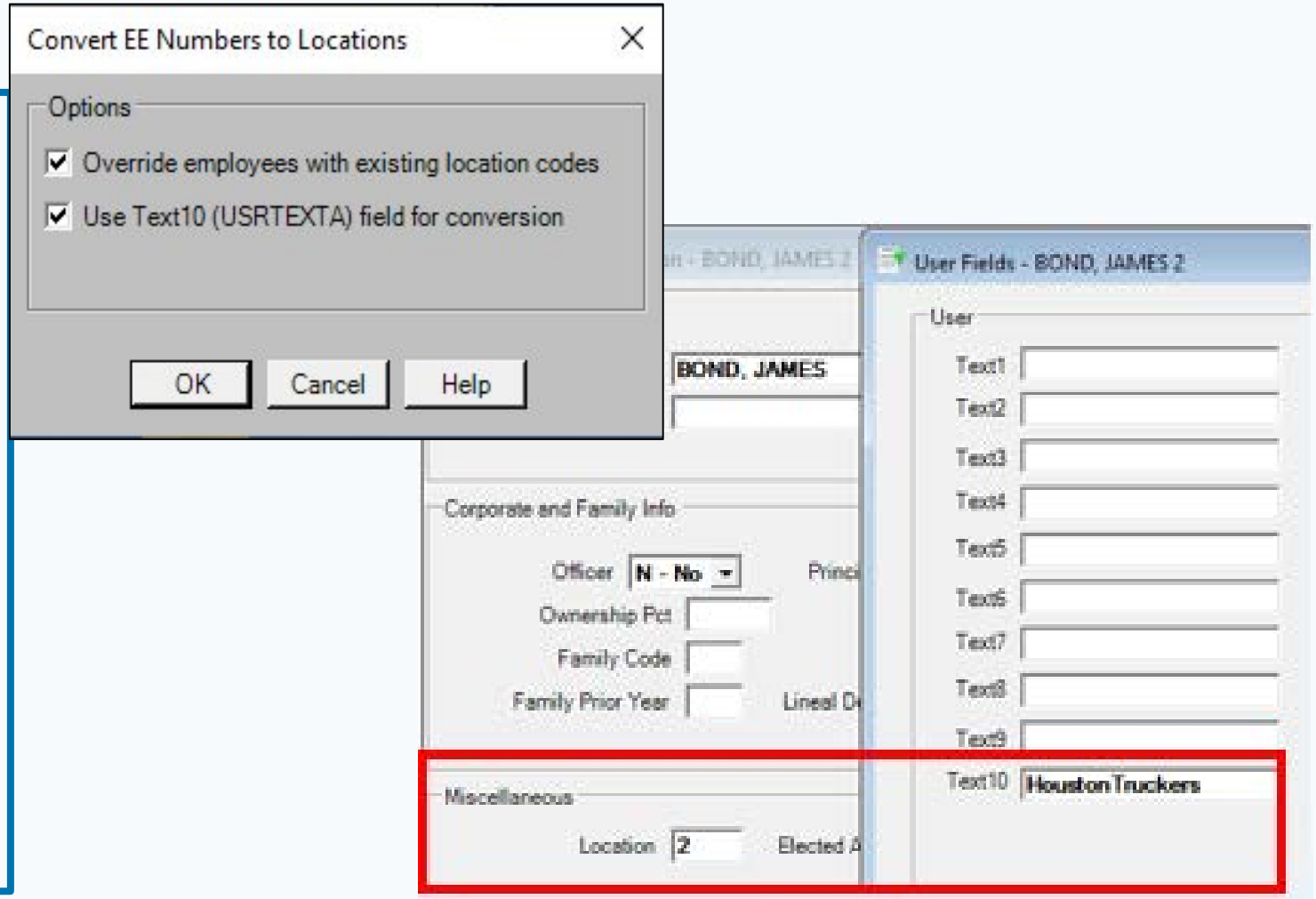
ASC – DC/401k Enhancements

Convert Employee User Field to Location Number

This option was added to accommodate a field conversion with a length that exceeds the 9 characters that is available with the NUMBER field. The Usrtext fields are helpful for multiple tasks when working with formulas or whenever you need a holding place. To convert EMPLOYEE Text10(USRTEXTA) field to a new location, Select Utilities>Change Structure>EE # to Location to access the utility dialog screen. Check box to "Use Text10 (USRTEXTA) field for conversion". Click OK. The system will create new location numbers for each unique Employee Text10 field. The new Locations will display in Plan Spec > Locations >LOCATION as well.



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ASC – DC/401k Enhancements

SECURE Act Enhancement to the Participant Statements for the "Lifetime Income Attachment"

Effective 9/18/21 a Defined Contribution Plan must illustrate once per year, for each participant, the value of an account balance expressed as a Life annuity and as a 100% joint and survivor annuity in dollars/month.

ASC has programmed to meet the statement requirement using the Safe Harbor Parameters with some flexibility to use alternative mortality tables and interest rates for other methods.
https://www.federalregister.gov/documents/2020/09/18/2020-17476/pension-benefit-statements-lifetime-income-illustrations

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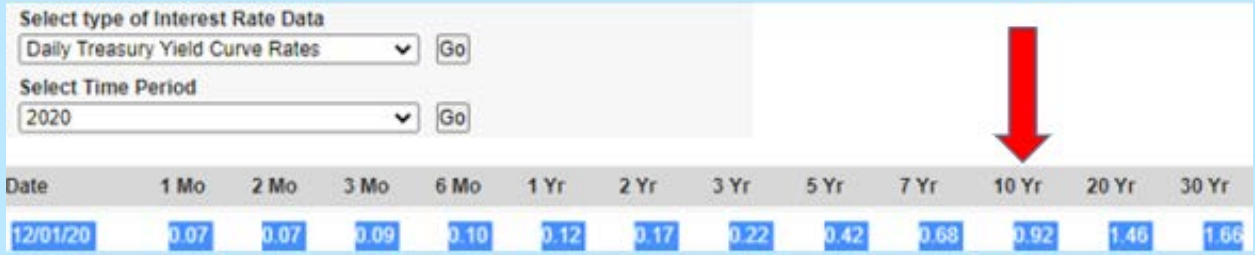
ASC – DC/401k Enhancements

The required statement language has been hard-coded in ASC for all DC statements under Reports-Employee Statements.

Assumptions made:

- ❑ Current balance (100%) on statement is used, no inflation adjustment, non-defaulted Loans included
- ❑ Age 67 or Actual Age if older
- ❑ Participant is married and the spouse (for the J&S) is the same age as the participant.
- ❑ Interest Assumption used for annuity payments use Interest rate from the 10-year constant maturity Treasury securities yield rate for the first business day of the last month of the statement period.
  An example, Use interest rate from 12/1/2020 for 12/31/2020 would be .92.
  Daily Treasury Yield Curve Rates: https://www.treasury.gov/resource-center/data-chart-center/interest-_rates/Pages/TextView.aspx?data=yield



Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
12/01/20	0.07	0.07	0.09	0.10	0.12	0.17	0.22	0.42	0.68	0.92	1.46	1.66

- ❑ Mortality Table Assumption used for annuity payments use the Internal Revenue Code §417(e)(3)(B) unisex table updated annually *[RPYYC U in ASC, where YY is the year.]*

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ASC – DC/401k Enhancements

Participant Statements "Lifetime Income Attachment"

1. Check the Plan Specs for the Lifetime Options
   a) Interest
   b) Mortality Table
2. Run Projected Calcs to populate the APR's
3. Print the Participant Statement from Reports-Employee Statements – check box for the Lifetime Income Attachment

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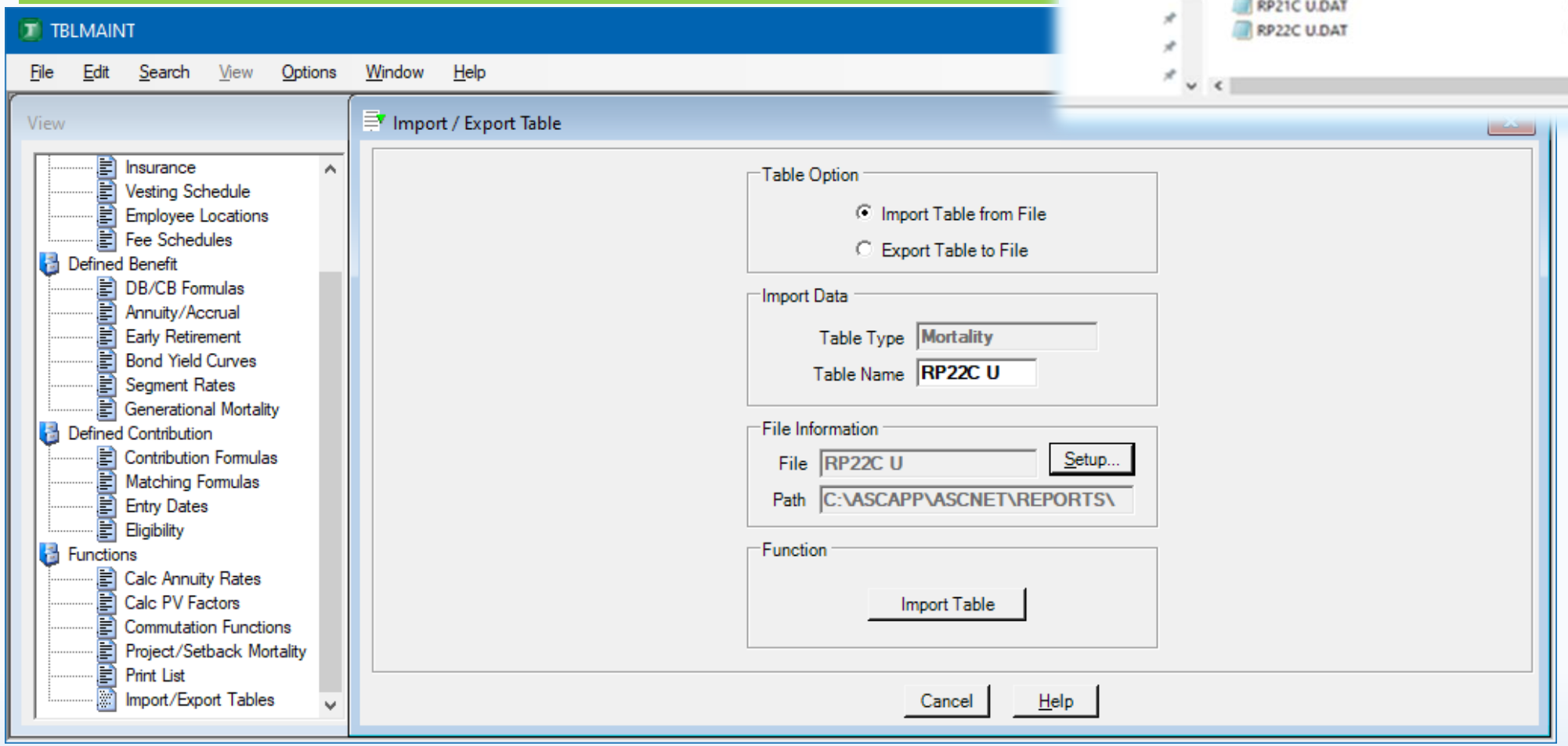
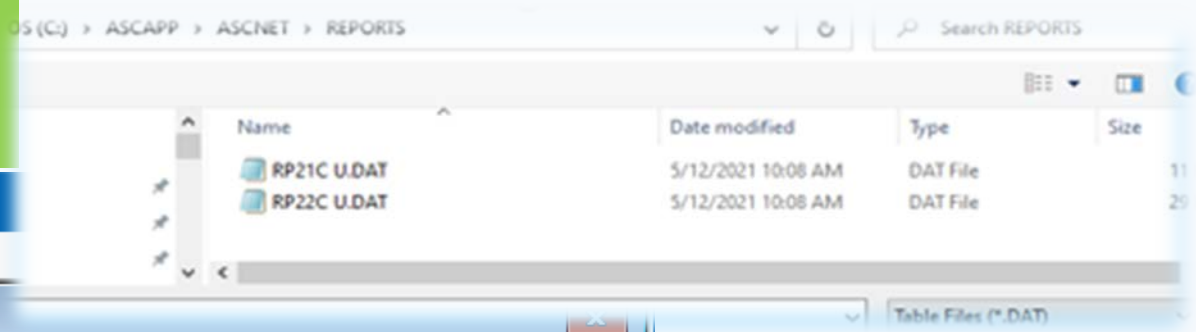
ASC – DC/401k Enhancements

ADD A MORTALITY TABLE TO THE ASC SYSTEM
– USE TABLE Maintenance – Functions – Import/Export Tables
Click Setup, browse to ASCNET\REPORTS to locate file to import.





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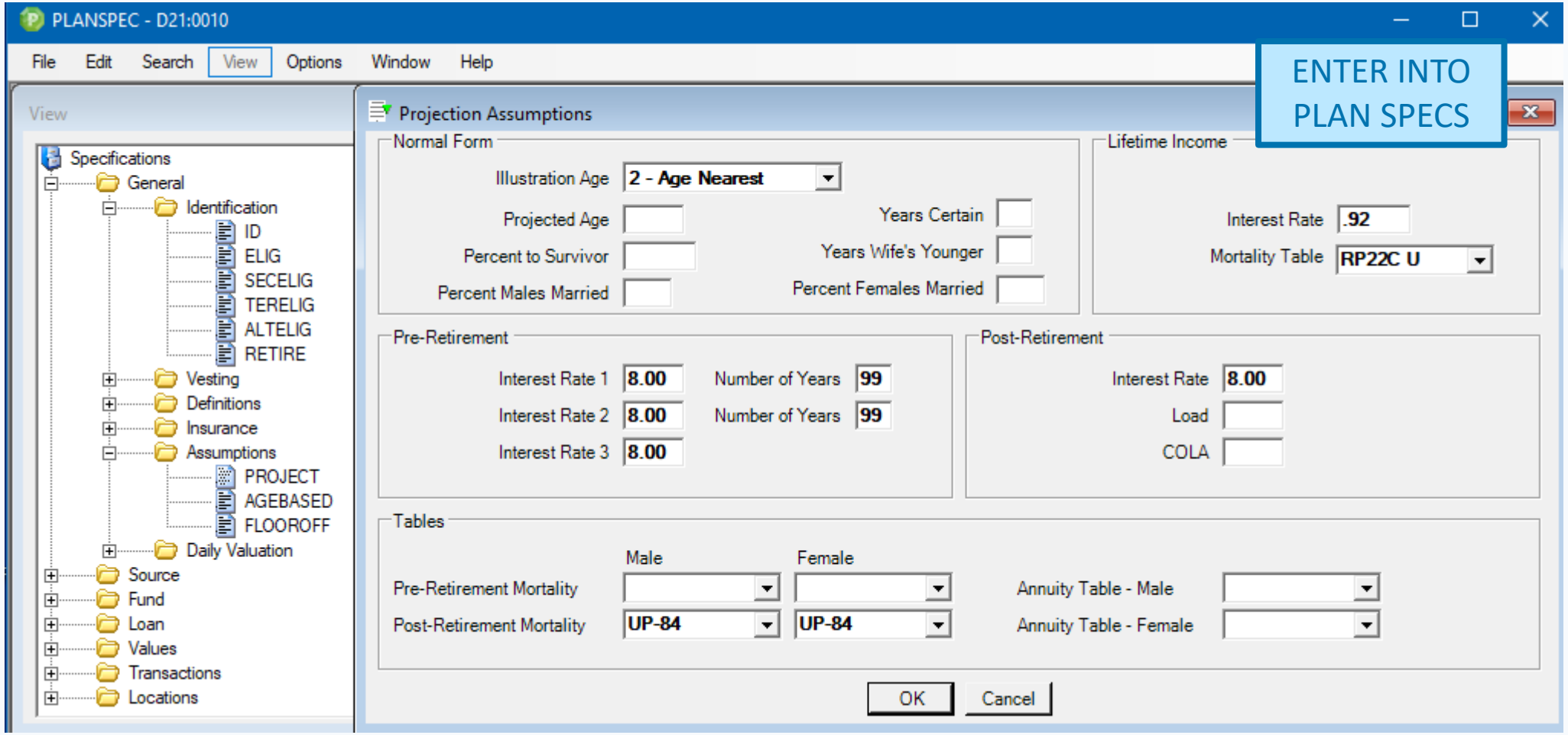
ASC – DC/401k Enhancements



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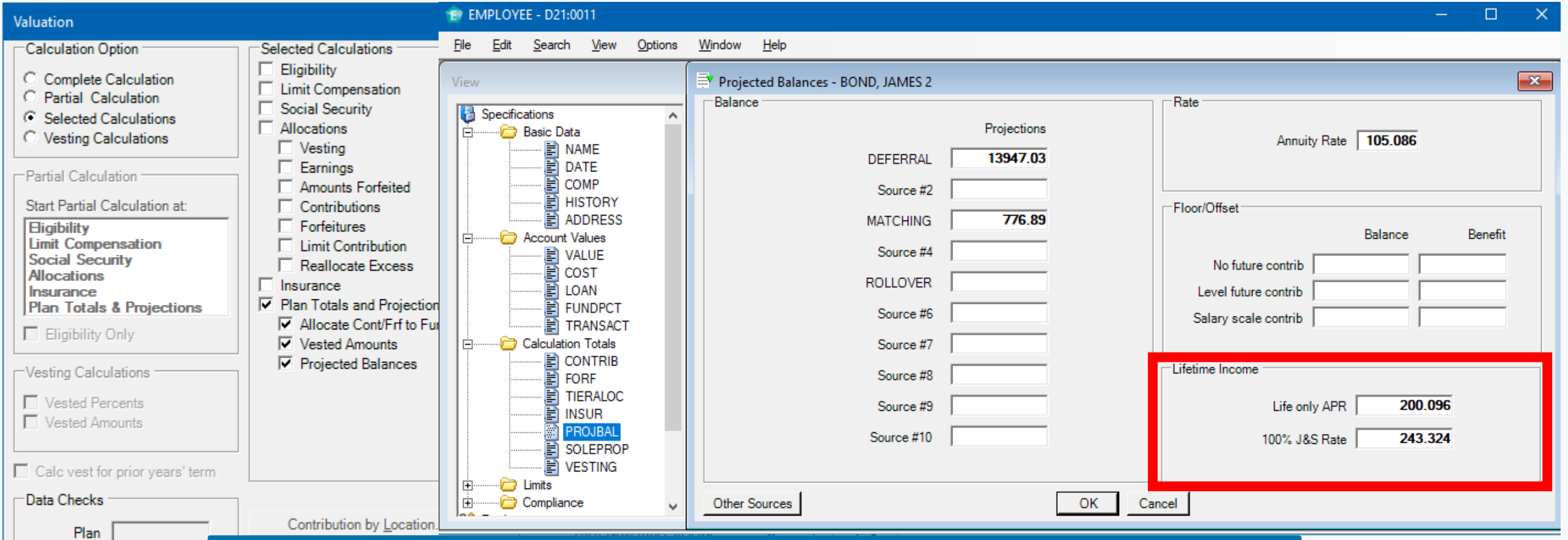
ASC – DC/401k Enhancements

RESULTS are in PROJBAL in EE Records (APRs can also be input*)



*Statements calculate on the fly, using APRs from these fields. If you input the APR manually, do not run calculations again before printing the Lifetime Income Attachments.

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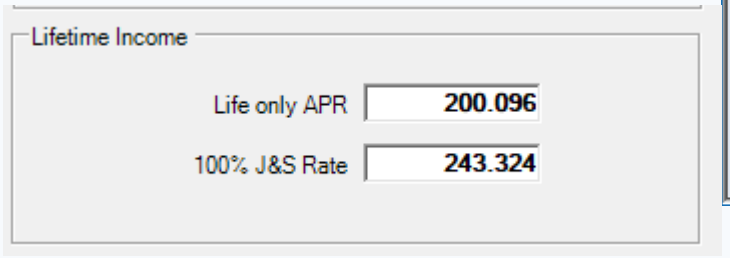
ASC – DC/401k Enhancements

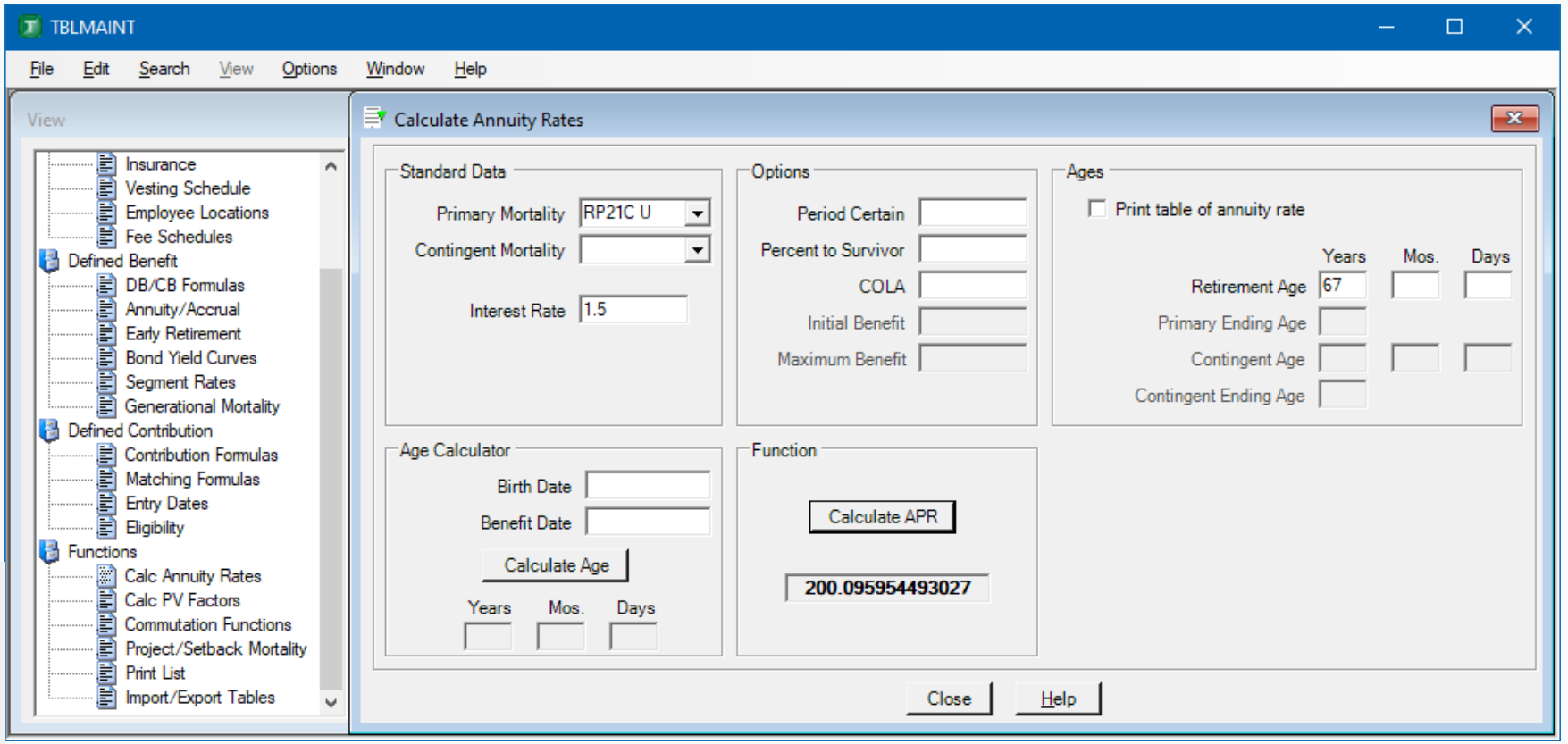
Lifetime Income

Table Maintenance - Functions
Calc Annuity Rates:

Age – 67
Interest – 1.5%

Life APR- 200.096





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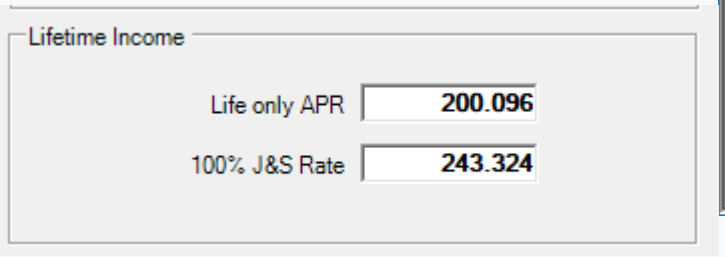
ASC – DC/401k Enhancements

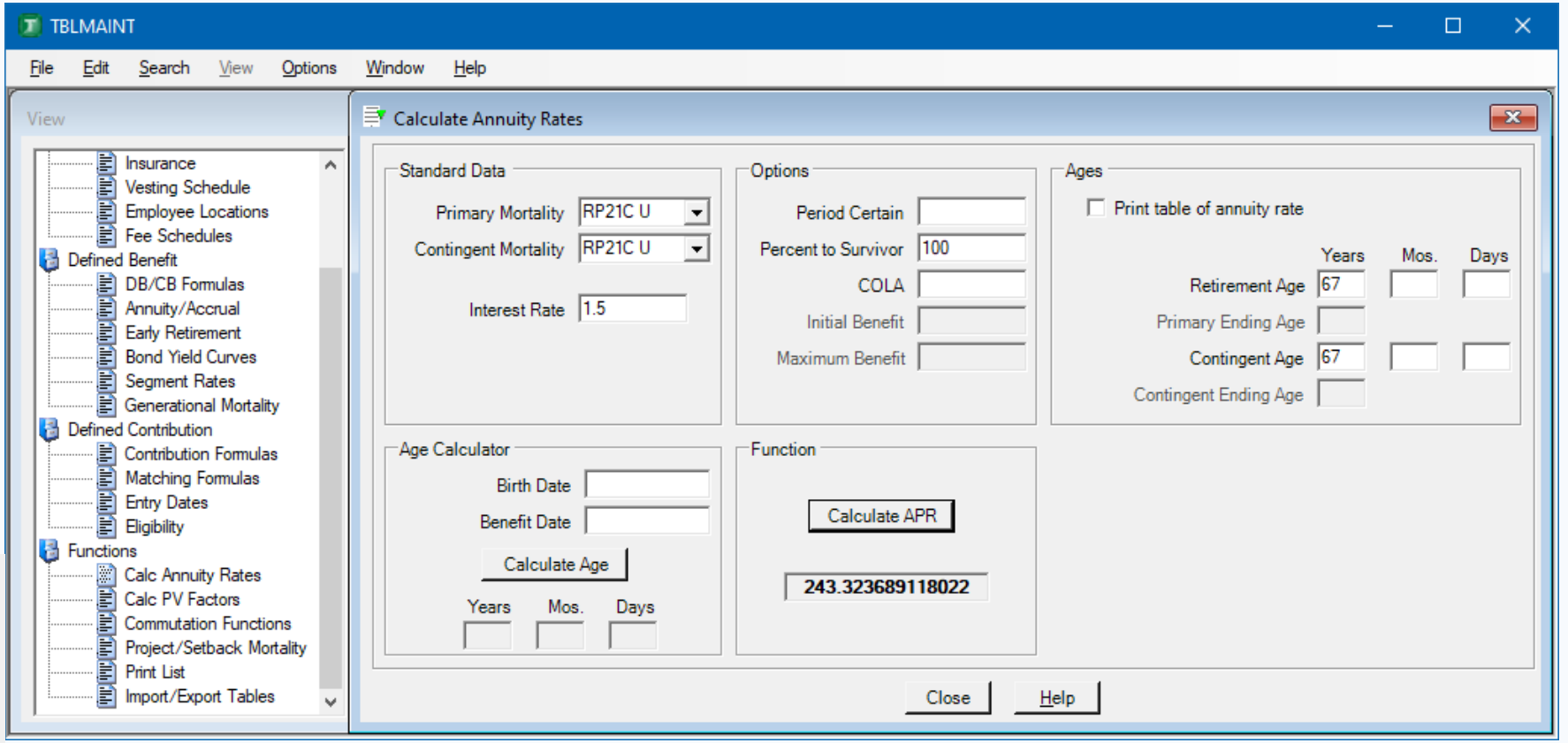
Lifetime Income

Table Maintenance - Functions
Calc Annuity Rates:

Age – 67
Interest – 1.5%

J&S APR- 243.324





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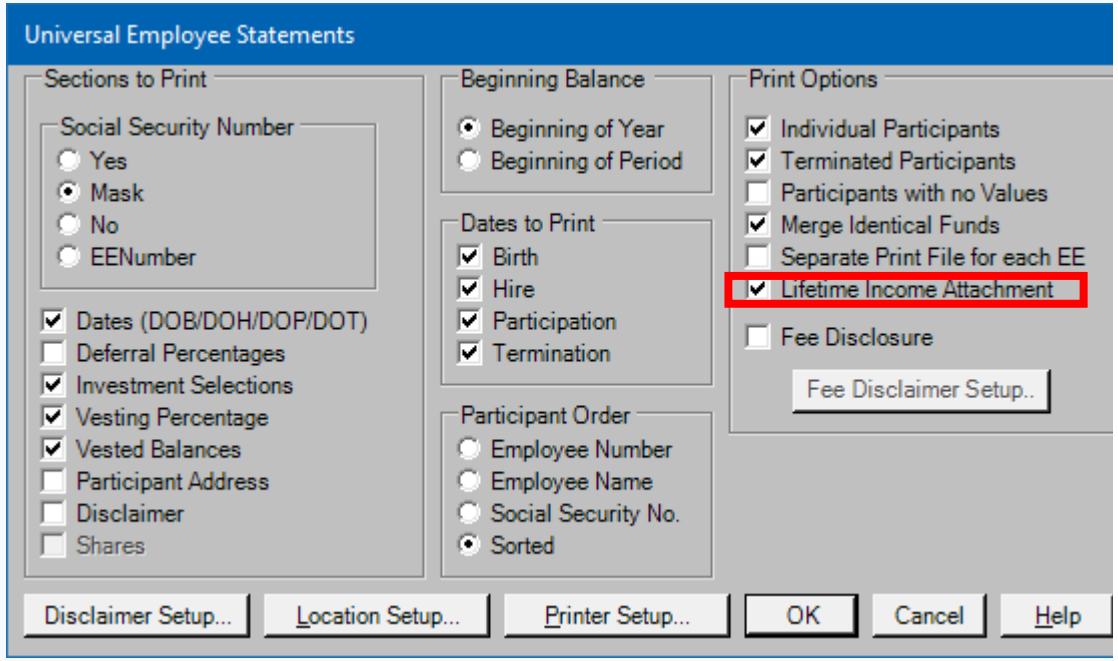
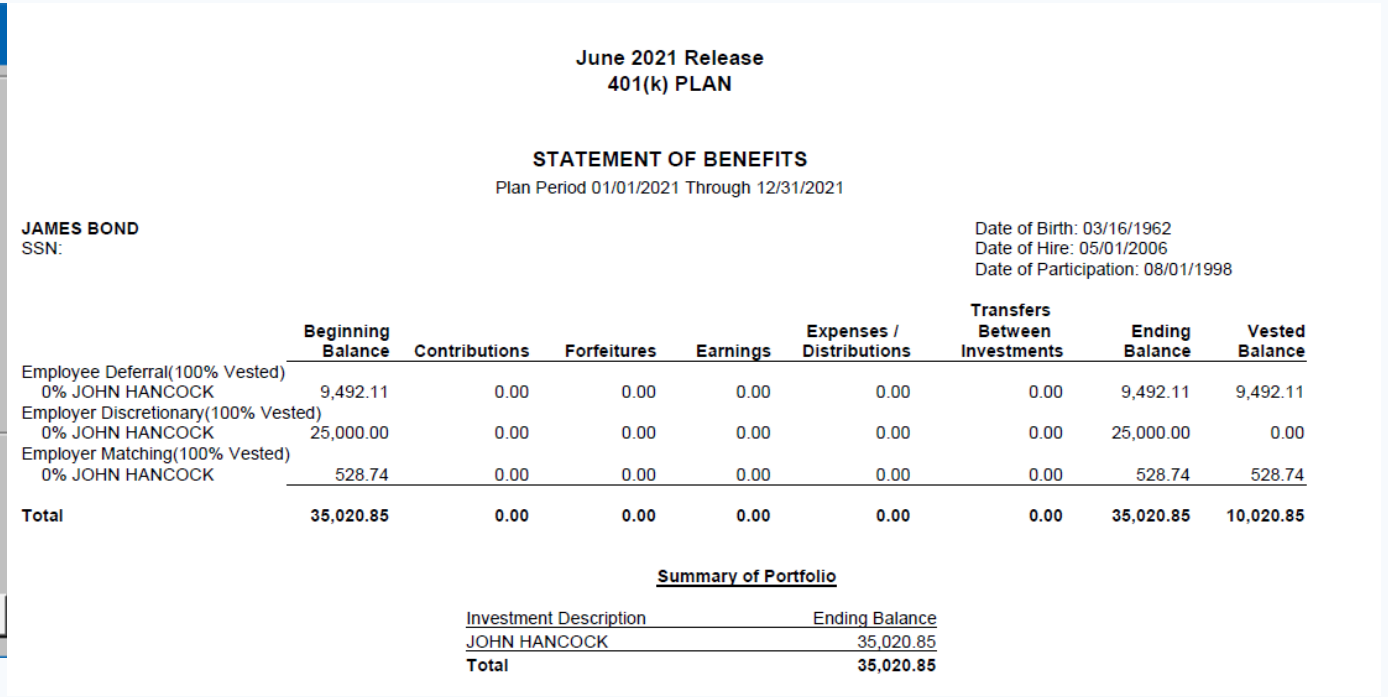
ASC – DC/401k Enhancements

PRINT EE STATEMENTS WITH LIFETIME INCOME ATTACHMENT





June 2021 Release
401(k) PLAN

STATEMENT OF BENEFITS
Plan Period 01/01/2021 Through 12/31/2021

JAMES BOND
SSN:

Date of Birth: 03/16/1962
Date of Hire: 05/01/2006
Date of Participation: 08/01/1998

	Beginning Balance	Contributions	Forfeitures	Earnings	Expenses / Distributions	Transfers Between Investments	Ending Balance	Vested Balance
Employee Deferral(100% Vested)								
0% JOHN HANCOCK	9,492.11	0.00	0.00	0.00	0.00	0.00	9,492.11	9,492.11
Employer Discretionary(100% Vested)								
0% JOHN HANCOCK	25,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00	0.00
Employer Matching(100% Vested)								
0% JOHN HANCOCK	528.74	0.00	0.00	0.00	0.00	0.00	528.74	528.74
Total	**35,020.85**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35,020.85**	**10,020.85**

Summary of Portfolio

Investment Description	Ending Balance
JOHN HANCOCK	35,020.85
Total	**35,020.85**

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ASC – DC/401k Enhancements

Lifetime Income Attachment Page 1

Annuity for Life sample:
Age – 67
Interest – 1.5%
Life APR- 200.096
J&S APR – 243.324
Account Balance – 35020.85

Monthly Life payment is 35020.85/200.096 = 175.02
Monthly Joint payment is 35020.85/243.324 = 143.93

June 2021 Release
401(k) PLAN

Statement Period: January 1, 2021 to December 31, 2021

JAMES BOND

This statement provides you with information about how much monthly income you could collect at retirement based on your current account balance. The estimated monthly payments in this statement are for illustrative purposes only; they are not a guarantee. Having this information now may help you plan how much money to save for retirement.

Your account balance is $35,020.85 as of December 31, 2021. Below are estimates of how much money you could receive each month if you were to receive payments in one of the following two payment forms:

1. A single life annuity is an arrangement that pays you a fixed amount of money each month for the rest of your life. Following your death, no further payments would be made to your spouse or heirs.

   If you receive payments in this form, we estimate you would receive $175.02 per month starting at retirement.

2. A qualified joint and 100% survivor annuity is an arrangement that pays you and your spouse a fixed monthly payment for the rest of your joint lives. In addition, after your death, this type of annuity would continue to provide the same fixed monthly payment to your surviving spouse for their life.

   If you receive payments in this form, we estimate you would receive $143.93 per month starting at retirement and, after your death, your surviving spouse would receive $143.93 per month.

   An annuity with a lower survivor percentage may be available, and reducing the survivor percentage (below 100%) would increase monthly payments during your lifetime, but would decrease what your surviving spouse would receive after your death.

The following information is to help you understand these estimated monthly payments.

- The estimated monthly payments in this statement assume that your account balance is 100% and, if you have taken a loan from the plan and you are not in default, the loan has been fully repaid.
- The estimated monthly payments in this statement assume that payments begin December 31, 2021 and that you are 67 on this date. Monthly payments beginning at a younger age would be lower than shown since payments would be made over more years. Monthly payments beginning at an older age would be higher than shown since they would be made over fewer years.
- The estimated monthly payments for a qualified joint and 100% survivor annuity in this statement assume that you are married with a spouse who is the same age as you (even if you do not currently have a spouse, or if you have a spouse who is a different age). If your spouse is younger, monthly payments would be lower than shown since they would be expected to be paid over more years. If your spouse is older, monthly payments

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ASC – DC/401k Enhancements

Lifetime Income Attachment Page 2

June 2021 Release
401(k) PLAN

Statement Period: January 1, 2021 to December 31, 2021

JAMES BOND

would be higher that shown since they would be expected to be paid over fewer years.

- The estimated monthly payments in this statement are based on an interest rate of 1.50%, which is the 10-year constant maturity U.S. Treasury securities yield rate as of December 1, 2021, as required by federal regulations. This rate fluctuates based on market conditions. The lower the interest rate, the smaller your monthly payment will be, and the higher the interest rate, the larger your monthly payment will be.
- The estimated monthly payments in this statement are based on how long you and a spouse, who is assumed to be your age, are expected to live. For this purpose, federal regulations require that your life expectancy be estimated using gender neutral mortality assumptions established by the Internal Revenue Service.
- The estimated monthly payments in this statement are the same whether you are male of female. This is required for annuities payable from an employer's plan. However, the same amount paid for an annuity available outside of an employer's plan may provide a larger monthly payment for males than for females since females are expected to live longer.
- The estimated monthly payments in this statement are based on prevailing market conditions and other assumptions required under federal regulations. If you decide to purchase an annuity, the actual payments you receive will depend on a number of factors and may vary substantially from the estimated monthly payments in this statement. For example, your actual age at retirement, your actual account balance (reflecting future investment gains and losses, contributions, distributions, and fees), and the market conditions at the time of purchase will affect your actual payment amounts.
- Unlike Social Security payments, the estimated monthly payments in this statement do not increase each year with a cost-of-living adjustment. Therefore, as prices increase over time, the fixed monthly payments will buy fewer goods and services.

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ASC – DC/401k Enhancements

SUMMARY

Participant Statements "Lifetime Income Attachment"

1. Check the Plan Specs for the Lifetime Options
   a) Interest
   b) Mortality Table
2. Run Projected Calcs to populate the APR's
3. Print the Participant Statement from Reports-Employee Statements – check box for the Lifetime Income Attachment

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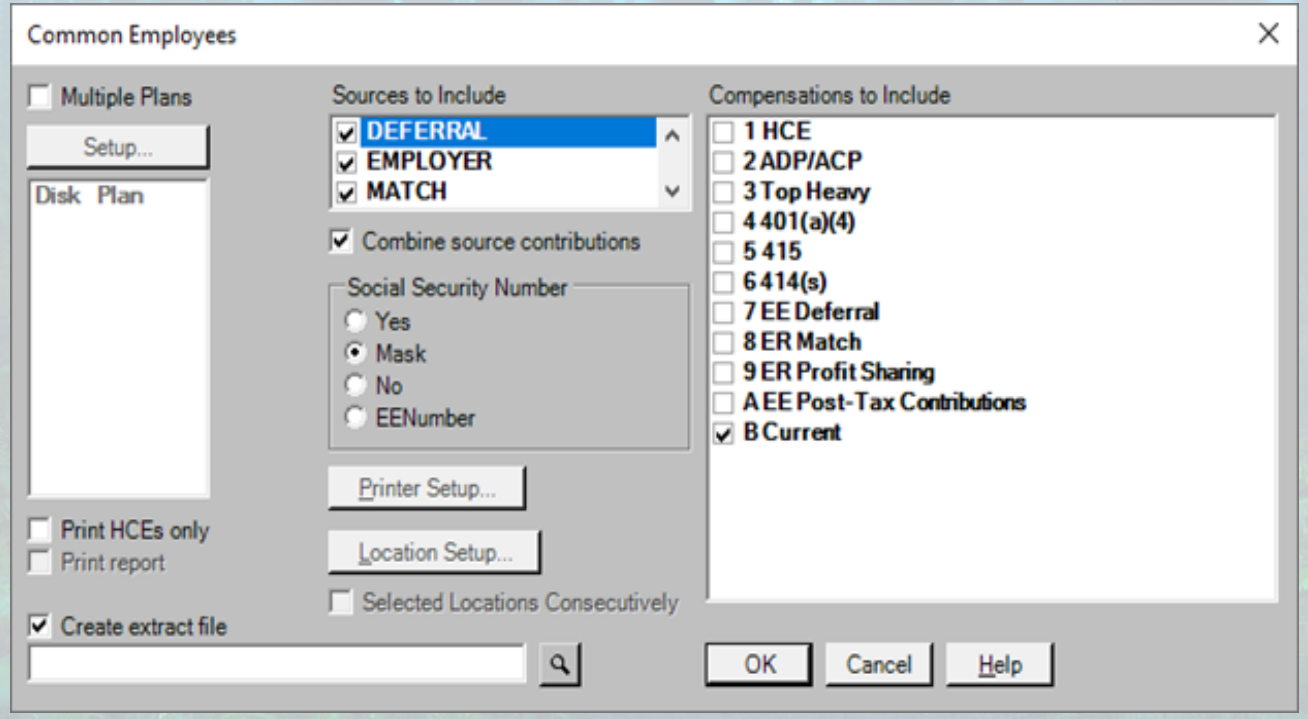
ASC – Compliance Enhancements

The *Common Employees* report found under *ASC menu - Compliance – Common Employees* will now identify the common employees for multiple employee locations – *Mult. EE Locations – 'Yes'*.

The report will only be available through "*Create extract file"* option. Therefore, the *"Print report"* option along with *Printer Setup and Location Setup options* will be disabled.



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ASC – Compliance Enhancements

The **Safe Harbor Plan Type** label has been updated to Safe Harbor Only Plan (*Plan Specs – General – Definitions – BENLIMIT screen*).

Match Verification Earnings Calculation for Ineligible Employees

Match Verification report (*ASC menu – Compliance – Match Verification*) has been updated to allow the system to calculate earnings on overpayments for ineligible employees. Previously the system did not calculate earnings on ineligible employees.

ADP/ACP Report Borrowing Disclaimer

A disclaimer has been added to the Borrowing page of the ADP/ACP test (*ASC menu – Compliance – ADP/ACP*) to provide additional information when borrowing occurs after corrective action has been taken. For example: When an ADP test initially fails and requires corrective action, if it is then put in a passing state after the corrective action, the borrowing page might reflect a "Pass" for the ADP Test and then subsequent borrowing from ADP to ACP. A statement of "*ADP "Pass" results are based on the re-calculated results after the corrective action described in the Details of Test Corrections below.*" has been added to lessen confusion where the borrowing page says "Pass" but there are still corrective distributions or contributions required.

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ASC – Compliance Enhancements

Allocation Export

A new Allocation Export has been added to *ASC menu – Utilities – Export – Allocations*. The export is in Excel format and displays the details of any allocations calculated including employee data, eligibility, and contribution formulas. The export can have up to 9 separate tabs for each applicable allocation source – All Contributions, PS, TH, Company Match, SH Match, MPP, SHNE, Company Match True Up, and SH Match True Up. Codes will be used from Plan Specs – CORPORAT – User Text 1 and User Text 2 (USRTEXT1/USRTEXT2) to determine which tabs are displayed.

Tab	Code in both USRTEXT1 and USRTEXT 2	Special Conditions
All Contributions		Will always display
PS	H	
TH		Will display if plan is coded as Top Heavy in Plan Specs – TOPHYEAR for the current plan year
Company Match	F	
SH Match	G	
MPP	L	
SHNE	I	Must have Pct of Pay coded in SHNE Source (Source Type 5 – Safe Harbor ER/QNEC)
Company Match True Up*	E	Must have Match formula coded in Source 3
SH Match True Up*	E	Must have Match table coded in SH Source (Source Type "6 – Safe Harbor Match")

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ASC – Compliance Enhancements

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1																
2	ASC June 2021 Release Webcast			12/31/2021												
3	Summary of Contributions															
4																
5	SSN	Name	Employee Statu	Date of Birth	Date of Hi	Date of Te	Hours	Deferred S	PS Contrit	SH Nonele	Company	SH Match	After Tax	PS Forf	Match For	Total
6	xxx-xx-47	10Employ	Ineligible	2/4/1997	########		2250	0	0	0	0	0	0	0	0	0
7	xxx-xx-11	01Employ	Active	5/29/1965	1/1/2017		2250	25,000.00	13,824.97	8,550.00	11,400.00	0	0	0	0	58,774.97
8	xxx-xx-22	02Employ	Active	4/14/1984	1/1/2017		2250	4,515.00	1,444.03	1,354.62	1,806.16	0	0	0	0	9,119.81
9	xxx-xx-33	03Employ	Active	6/7/1968	1/1/2017		2250	4,654.00	1,599.00	1,500.00	2,000.00	0	0	0	0	9,753.00
10	xxx-xx-44	04Employ	Active	4/30/1970	1/1/2017		2250	6,542.00	2,091.97	1,962.45	2,616.60	0	0	0	0	13,213.02
11	xxx-xx-55	05Employ	Active	8/2/1981	1/1/2017		2250	3,512.00	1,123.27	1,053.72	1,404.96	0	0	0	0	7,093.95
12	xxx-xx-66	06Employ	Active	9/10/1990	1/1/2017		2250	9,874.00	3,157.86	2,962.35	3,949.80	0	0	0	0	19,944.01
13	xxx-xx-77	07Employ	Active	10/15/1995	1/1/2017		2250	6,548.00	959.4	900	1,200.00	0	0	0	0	9,607.40
14	xxx-xx-88	08Employ	Active	11/18/1997	1/1/2017		2250	6,874.00	799.5	750	1,000.00	0	0	0	0	9,423.50
15	xxx-xx-99	09Employ	Active	3/7/1990	4/1/2020		2250	650	0	0	650	0	0	0	0	1,300.00
16																

	SSN	Name	Employee Status	Date of Birth	Date of Hire	Date of Te	Hours	415 Compensa	Match Compens	Deferred S	Match Per	Match All	Match For	Eligible for Match Allocation
17														
18	xxx-xx-47	10Employ	Ineligible	2/4/1997	6/30/2020		2250	25,000.00	25,000.00	0	0	0	0	Ineligible - Service
19	xxx-xx-11	01Employ	Active	5/29/1965	1/1/2017		2250	500,020.00	285,000.00	25,000.00	4	11,400.00	0	Eligible
20	xxx-xx-22	02Employ	Active	4/14/1984	1/1/2017		2250	45,154.00	45,154.00	4,515.00	4	1,806.16	0	Eligible
21	xxx-xx-33	03Employ	Active	6/7/1968	1/1/2017		2250	50,000.00	50,000.00	4,654.00	4	2,000.00	0	Eligible
22	xxx-xx-44	04Employ	Active	4/30/1970	1/1/2017		2250	65,415.00	65,415.00	6,542.00	4	2,616.60	0	Eligible
23	xxx-xx-55	05Employ	Active	8/2/1981	1/1/2017		2250	35,124.00	35,124.00	3,512.00	4	1,404.96	0	Eligible
24	xxx-xx-66	06Employ	Active	9/10/1990	1/1/2017		2250	98,745.00	98,745.00	9,874.00	4	3,949.80	0	Eligible
25	xxx-xx-77	07Employ	Active	10/15/1995	1/1/2017		2250	30,000.00	30,000.00	6,548.00	4	1,200.00	0	Eligible
26	xxx-xx-88	08Employ	Active	11/18/1997	1/1/2017		2250	25,000.00	25,000.00	6,874.00	4	1,000.00	0	Eligible
27	xxx-xx-99	09Employ	Ineligible	3/7/1990	4/1/2020		2250	48,000.00	32,000.00	650	0	0	0	Ineligible - Service
28														
29														
30														

All Contributions | PS | SHNE | Company Match

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Defined Benefit Enhancements

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ASC – Defined Benefit Enhancements

- **Table Maintenance Updates**
- **Programming for American Rescue Plan Act of 2021**
  - Extended Amortization
  - Minimum Funding Segment Rate Relief
- **DC Cash Balance Proposal for One Participant Plans**
  - Budget Calculations
  - Analysis and Reporting
- **Additional Programming Highlights**

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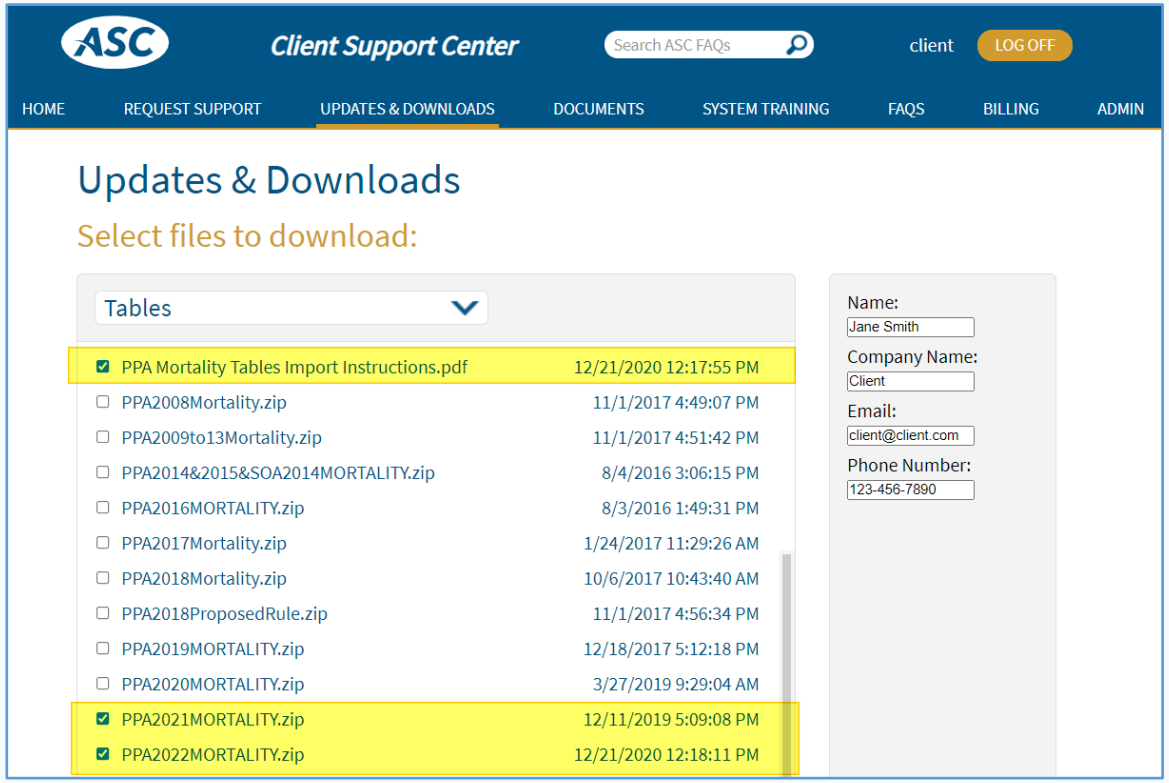
ASC – Defined Benefit Enhancements

- **Table Maintenance Updates**
  - IRS Mortality Tables Available on the Client Support Center for download
    - 2021 IRS Mortality Tables
      - PPA2021Mortality.zip
    - 2022 IRS Mortality Tables
      - PPA2021Mortality.zip
    - Future tables typically available within a week of publication
    - Download instructions
      - PPA Mortality Table Instructions.pdf



Client Support Center \ Updates & Downloads \ Tables

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ASC – Defined Benefit Enhancements

- **Table Maintenance Updates**
  - Segment Rates Available on the June Release
    - Funding rates through April 2021
      - Both BBA 2015 and ARP 2021 rates
      - ARP 2021 rates include those for plan years beginning in 2020
    - 417(e)(3) segment rates through March 2021
    - Rates loaded automatically with June Release
    - Future rates typically included with Patch files after publication of rates

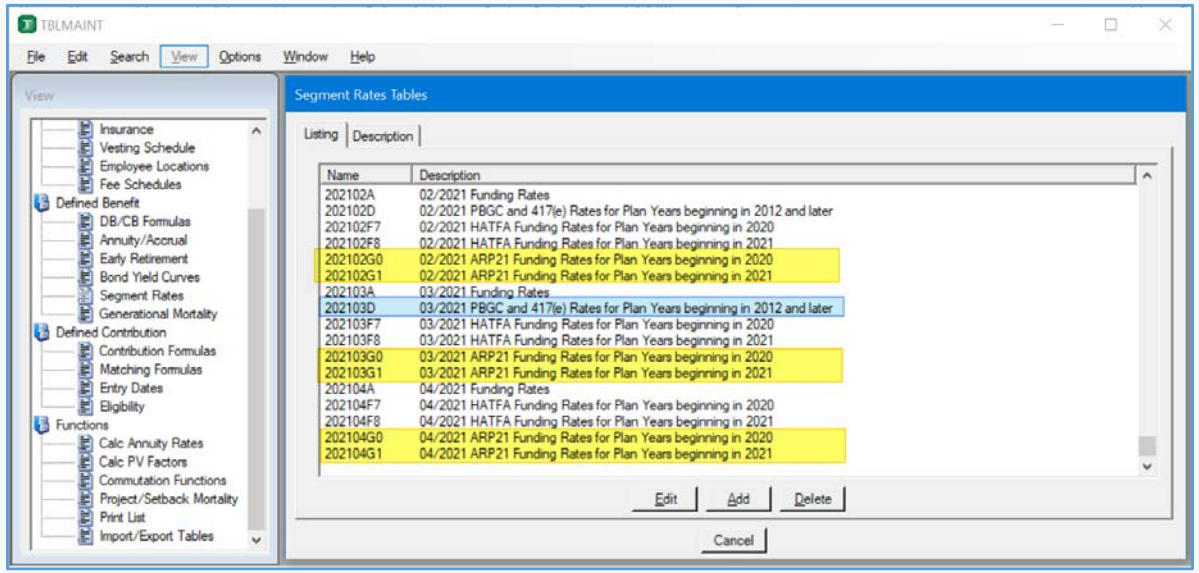

Table Maintenance > Defined Benefit \ Segment Rates

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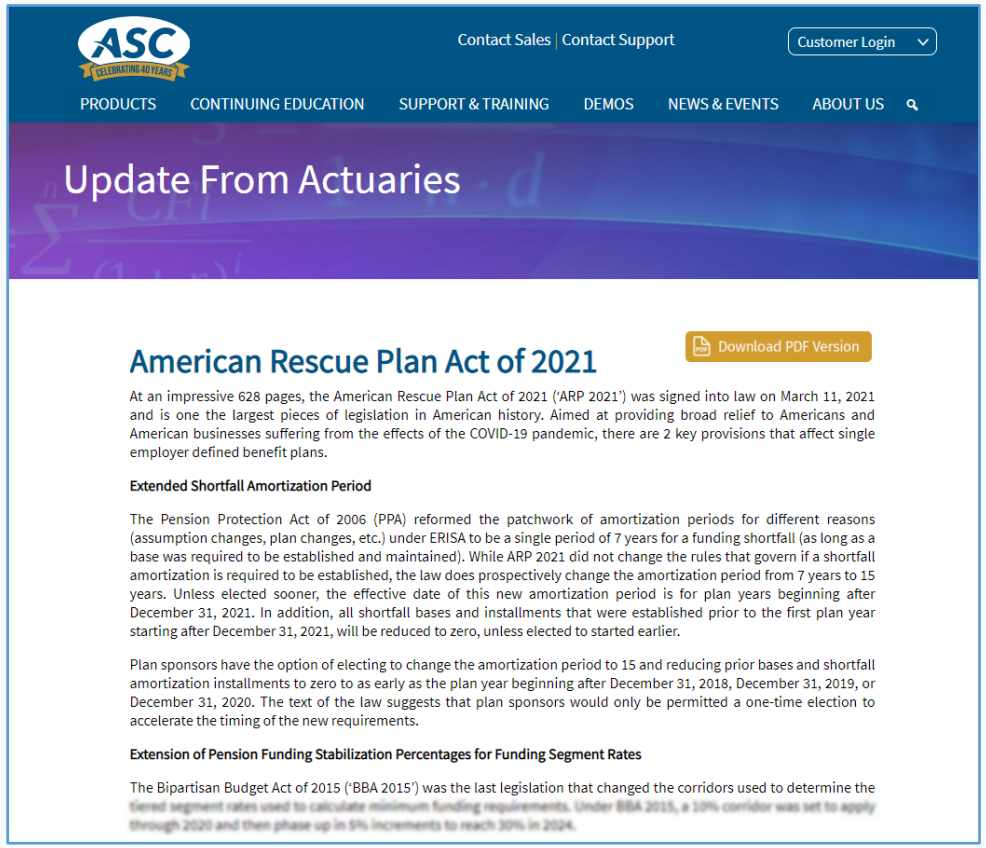
ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - ARP 2021 passed March 11, 2021 with 2 significant pension law changes for single employer DB plans
    - Extended Amortization
    - Minimum Funding Segment Rate Relief
  - Detailed analysis included in our Update from Actuaries: American Rescue Plan Act of 2021 article



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ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Extended Amortization
    - Plan years starting after 12/31/2021:
      - All previous shortfall amortization payments (SAPs) set to zero
      - New SAPs calculated using 15-year amortization period
    - Plan Sponsor option to adopt changes early
      - Plan years beginning after 12/31/2018

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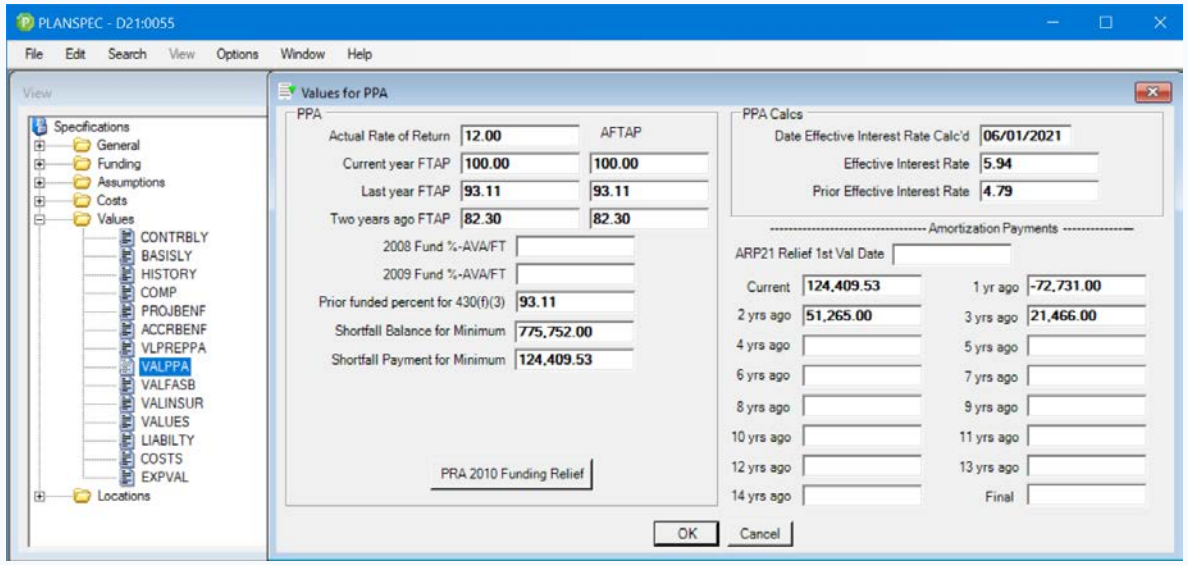
ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Extended Amortization Plan Specification Changes to Values \ VALPPA screen
    - Added storage for up to 15 years of SAPs
    - Added ARP21 Relief 1st Val Date input field to reflect early adoption of Extended Amortization period
      - Will accept dates from 1/1/2019 to 12/31/2022
    - Funding Relief button renamed to PRA 2010 Funding Relief for plans using old relief rules
    - Shortfall related fields moved from Costs \ BASIS screen to Values \ VALPPA screen
      - Shortfall Balance for Minimum
      - Shortfall Payment for Minimum



Values \ VALPPA screen

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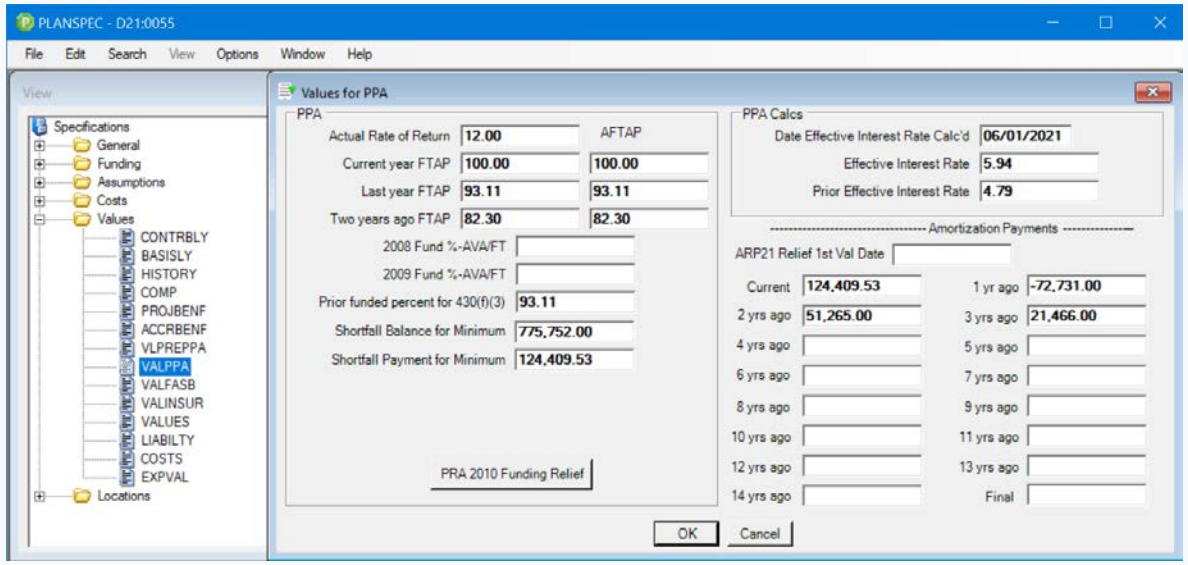
ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - REMINDER: You must run Calculation > Valuation to activate calculation of current Amortization Payment using either 7-year of 15-year amortization payment
  - Extended Amortization Calculation Changes
    - If ARP21 Relief 1st Val Date entered is prior to plan year beginning before 1/1/2022 or for the first year beginning after 12/31/2021 with no ARP21 Relief 1st Val Date entered, calculations will
      - Remove prior SAPs
      - Calculate Current SAP, if applicable, using 15-year period



Values \ VALPPA screen

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ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Calculation > Valuation results based on Valuation Date combined with ARP21 Relief 1st Valuation Date input

	ARP21 Relief 1st Valuation Date in 2019	ARP21 Relief 1st Valuation Date in 2020	ARP21 Relief 1st Valuation Date in 2021	ARP21 Relief 1st Valuation left blank
Valuation Date in 2019	• Old Bases Set to Zero • 15 year period used for new Current Base	• Old Bases Maintained • 7 year period used for new Current Base	• Old Bases Maintained • 7 year period used for new Current Base	• Old Bases Maintained • 7 year period used for new Current Base
Valuation Date in 2020	• 15 year period used for new Current Base	• Old Bases Set to Zero • 15 year period used for new Current Base	• Old Bases Maintained • 7 year period used for new Current Base	• Old Bases Maintained • 7 year period used for new Current Base
Valuation Date in 2021	• 15 year period used for new Current Base	• 15 year period used for new Current Base	• Old Bases Set to Zero • 15 year period used for new Current Base	• Old Bases Maintained • 7 year period used for new Current Base
Valuation date in 2022	• 15 year period used for new Current Base	• 15 year period used for new Current Base	• 15 year period used for new Current Base	• Old Bases Set to Zero • 15 year period used for new Current Base

- *Assumes calendar year plan years*
- *Chart assumes that the valuation date in a given year is the same as the valuation date entered in the ARP21 1st Val Date for plan sponsors electing early*
- *Old Bases Set to Zero occurs ONLY in the year where ARP21 Relief 1st Val Date matches the plan's valuation date. Old Bases are not set to Zero retroactively.*

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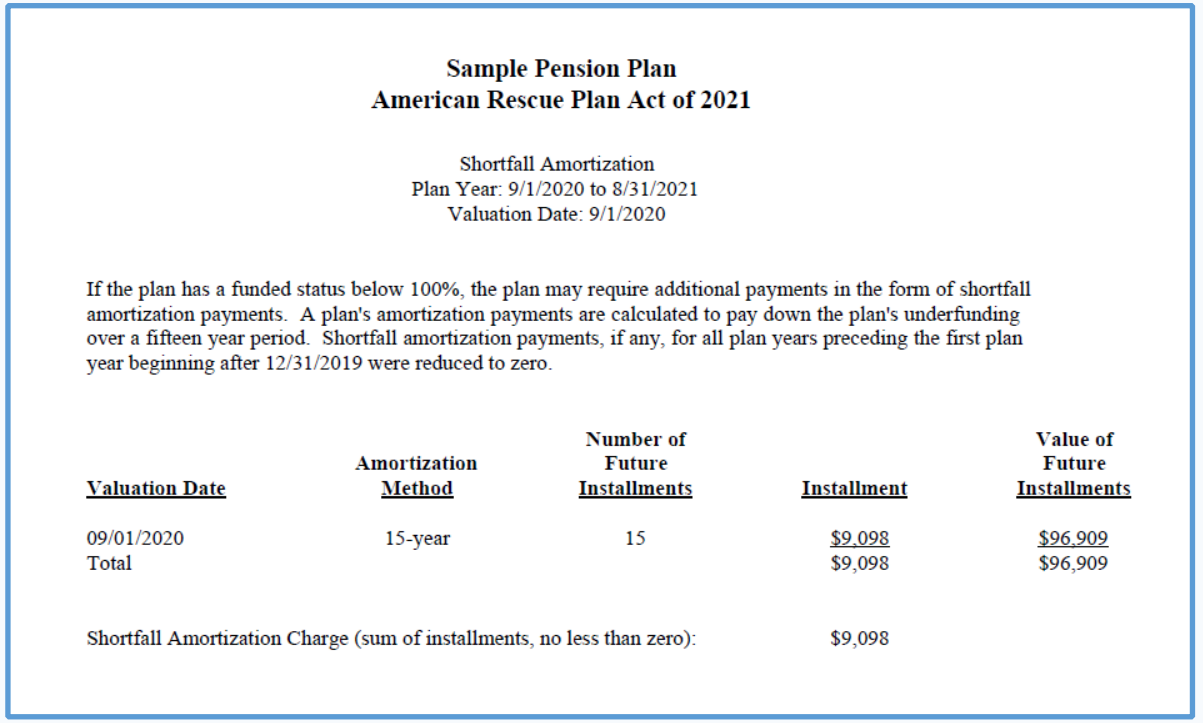
ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Extended Amortization PPA Reporting Changes
    - Actuarial Certification will reflect American Rescue Plan Act of 2021 when 15-year SAP method is in effect
    - Shortfall Amortization report will reference use of 15-year amortization period and in the first year in effect, that prior SAPs were eliminated
    - Short Plan Year Bases, if applicable, will also reference use of 15-year amortization period
    - All other reports that rely on the updated SAP calculations will update accordingly



Sample Pension Plan
American Rescue Plan Act of 2021

Shortfall Amortization
Plan Year: 9/1/2020 to 8/31/2021
Valuation Date: 9/1/2020

If the plan has a funded status below 100%, the plan may require additional payments in the form of shortfall amortization payments. A plan's amortization payments are calculated to pay down the plan's underfunding over a fifteen year period. Shortfall amortization payments, if any, for all plan years preceding the first plan year beginning after 12/31/2019 were reduced to zero.

Valuation Date	Amortization Method	Number of Future Installments	Installment	Value of Future Installments
09/01/2020	15-year	15	$9,098	$96,909
Total			$9,098	$96,909

Shortfall Amortization Charge (sum of installments, no less than zero): $9,098

Reports > Valuation > PPA DB… \ Shortfall Amortization

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ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Minimum Funding Segment Rate Relief
    - Plan years starting after 12/31/2019:
      - 5% floor on 25-year average for minimum segment rates
      - Revised corridor applies to 25-year average for minimum segment rates
    - Plan Sponsor option to postpone segment rate relief
      - May elect to use either BBA 2015 or ARP 2021 rates for plan years that begin in 2020 and 2021
      - Must use ARP 21 for plan years beginning after 12/31/2021

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ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Minimum Funding Segment Rate Relief Table Maintenance Changes
    - Spring Release includes ARP 2021 segment rates for plan years that begin in 2020 and 2021 (published through April 2021)
    - Subsequent rates published will be added by patch
    - HATFA rates will phase out after December 31, 2021

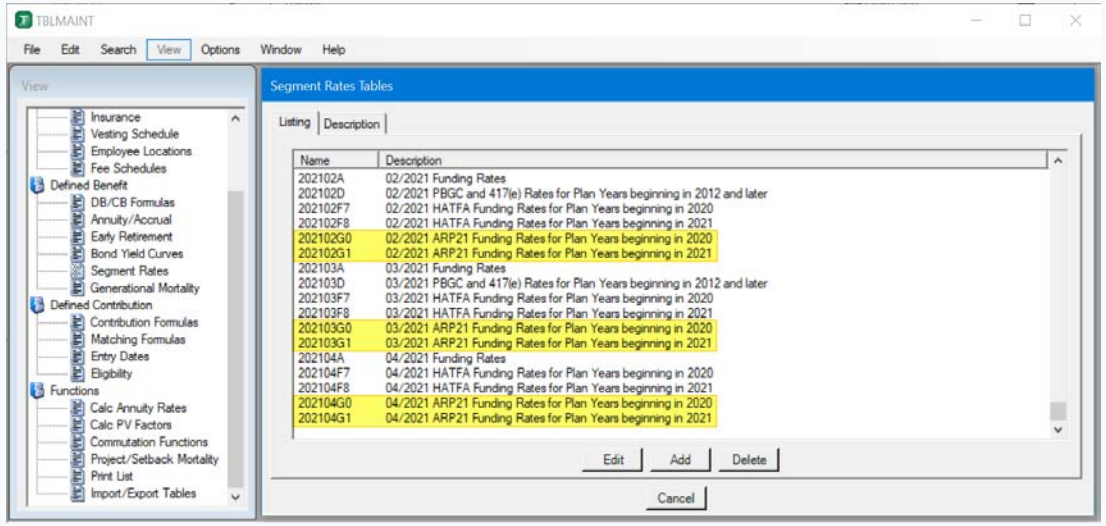

Table Maintenance > Defined Benefit \ Segment Rates

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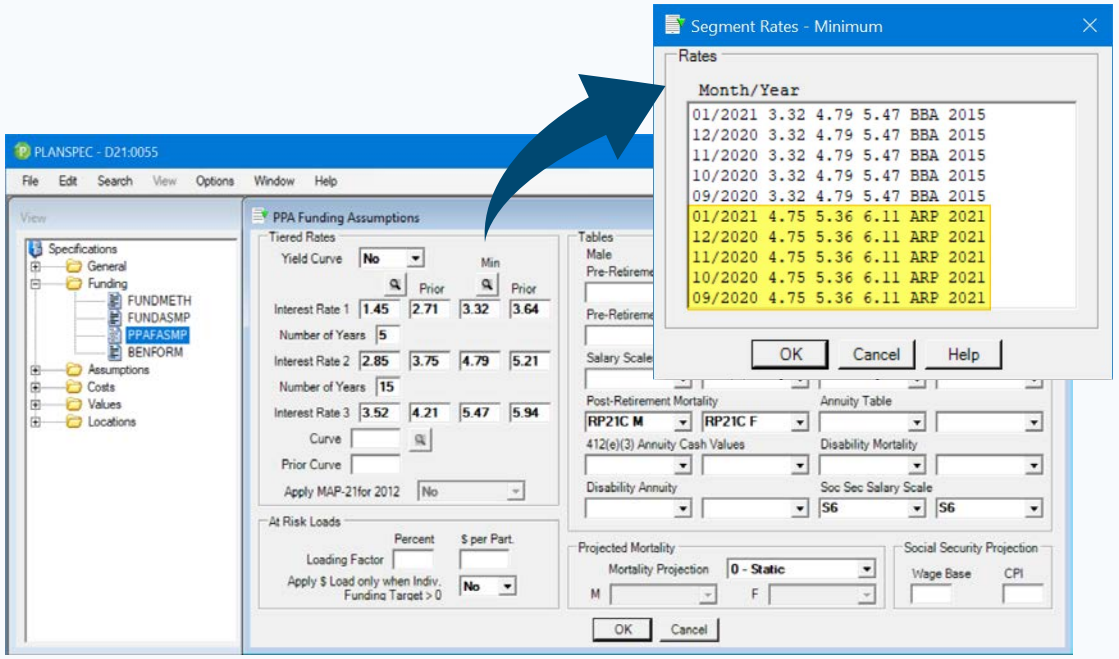
ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - REMINDER: You must run Calculation > Valuation with Calculate Effective Interest rate checked if you switch to ARP 2021 segment rates from BBA 2015 rates (or vice versa) to ensure the EIR reflects the selected segment rates.
  - Minimum Funding Segment Rate Relief Plan Specification Changes to Funding \ PPAFASMP screen
    - PPA Min Segment Rate spyglass menu will allow users to select from either BBA 2015 or ARP 2021 segment rates for plan years that begin in 2020 and 2021.



Funding \ PPAFASMP screen

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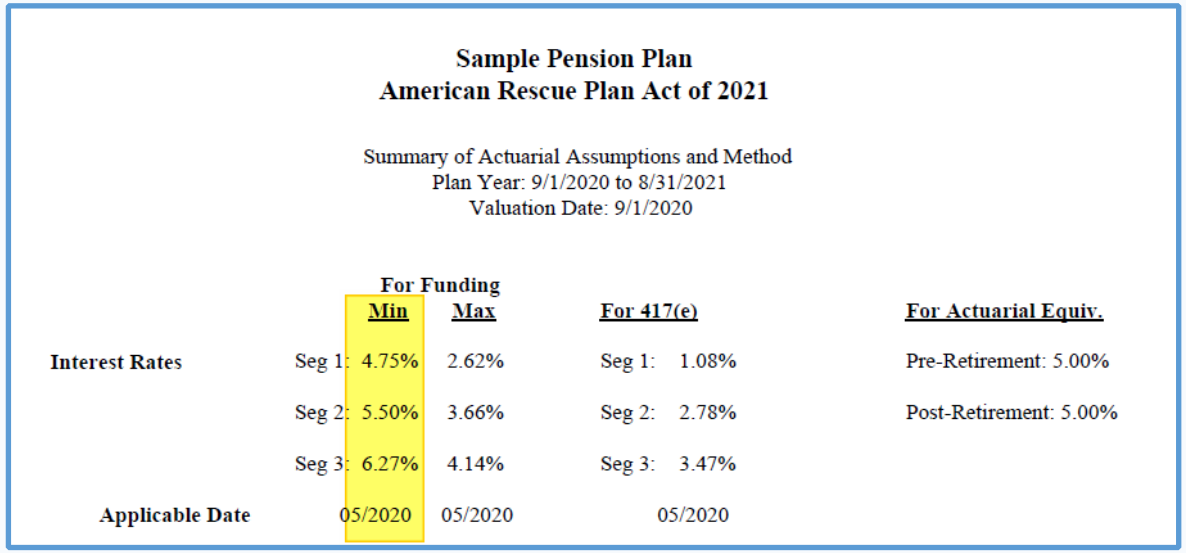
ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Minimum Funding Segment Rate Relief PPA Reporting Changes
    - Summary of Actuarial Assumptions Method
      - June Release prints N/A for month/year of selected rates
      - Load Patch A to have the month/year of selected rates print
    - PPA Funding Values and SB Information reports will reflect selected segment rates



Sample Pension Plan
American Rescue Plan Act of 2021

Summary of Actuarial Assumptions and Method
Plan Year: 9/1/2020 to 8/31/2021
Valuation Date: 9/1/2020

	For Funding Min	For Funding Max	For 417(e)	For Actuarial Equiv.
Interest Rates	Seg 1: 4.75%	2.62%	Seg 1: 1.08%	Pre-Retirement: 5.00%
	Seg 2: 5.50%	3.66%	Seg 2: 2.78%	Post-Retirement: 5.00%
	Seg 3: 6.27%	4.14%	Seg 3: 3.47%	
Applicable Date	05/2020	05/2020	05/2020	

Reports > Valuation > PPA DB… \ Summary of Actuarial Assumptions

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ASC – Defined Benefit Enhancements

- **Programming for American Rescue Plan Act of 2021**
  - Additional ASC System Enhancements
    - Pension*Pal* Integration
      - ARP 21 Project is available to reflect plan sponsor elections

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ASC – Defined Benefit Enhancements

- **DC Cash Balance Proposal for One Participant Plan**
  - Introducing our 1st step in full-scale proposal programming and reports
  - Benefits
    - Incorporate Minimum Required, Maximum Deductible, 415 Maximum Lump sum calculations within the stated budget constraints
    - No more forgetting to reflect post-65 415 adjustments
    - Flexibility to reflect segment rates
    - Use features you're accustomed to in ASC plan specifications for cash balance and DC plans to tailor your budget calculations
    - Export results into your own custom proposal materials

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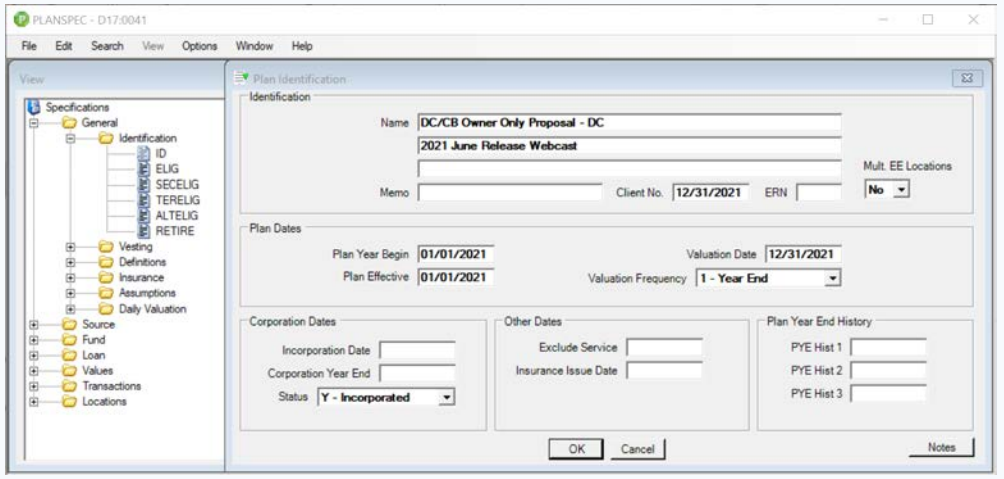
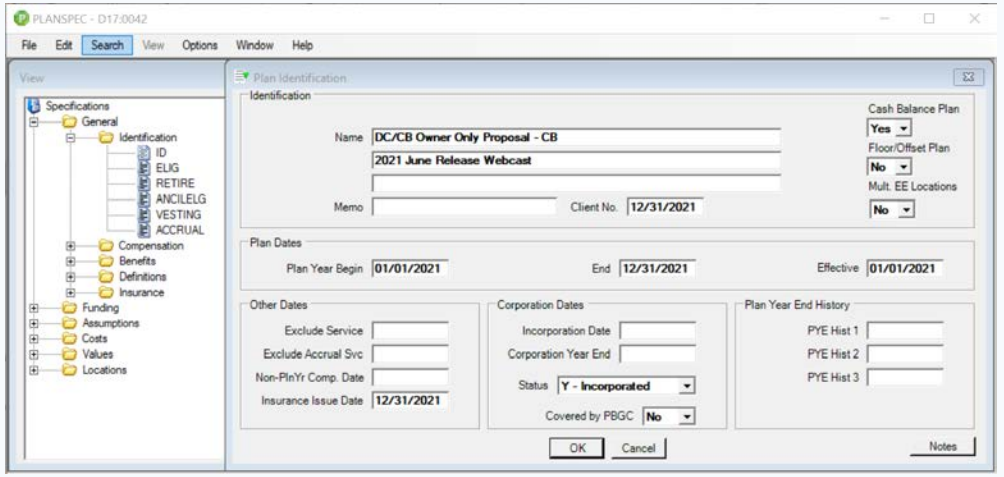
ASC – Defined Benefit Enhancements

- **DC Cash Balance Proposal for One Participant Plan**
  - Case Preparation
    - New EOY valuation Cash Balance plan paired with a new DC plan
    - EOY valuation funding segment rates may not be published when you are preparing proposals
      - Use a reasonable best estimate of segment rates
    - One participant plan with same value in SSN field
    - Assign solo participant a Principal code of Y in the DC plan and Principal code of 1 in the CB plan
    - Enter deferral amount (optional)



DC: Plan Specifications



DB: Plan Specifications

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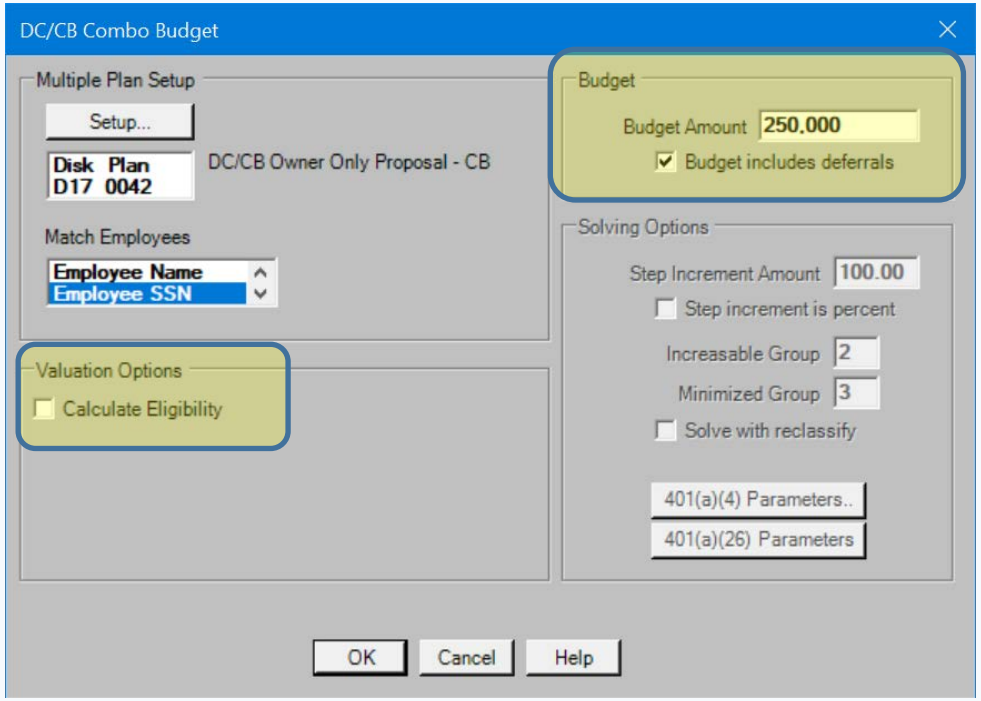
ASC – Defined Benefit Enhancements

- **DC Cash Balance Proposal for One Participant Plan**
  - Budget Calculations
    - Available from the DC: Calculations > Budget > DC/CB Combo Budget
    - Calculate Eligibility – if not already done in both plans
    - Input Budget Amount
      - Leave blank to target maximum deductible contribution
      - Input amount to target a specific total budget for the combined CB/DC plans
      - Select option to include deferral in the budget calculation
    - Solving Options is reserved for future enhancements



DC: Calculations > Budget > DC/CB Combo Budget

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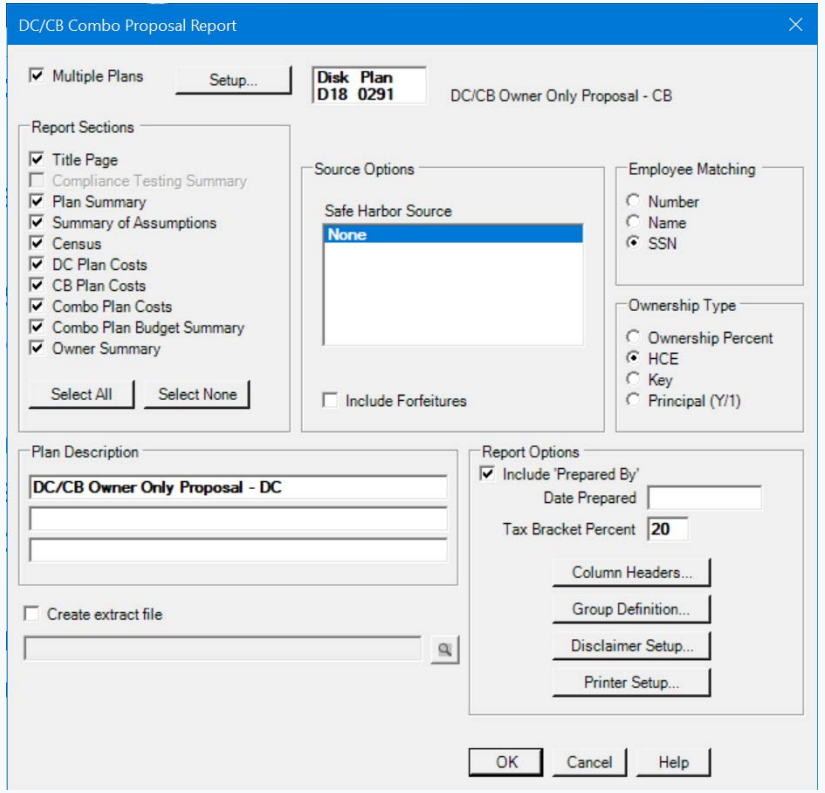
ASC – Defined Benefit Enhancements

- **DC Cash Balance Proposal for One Participant Plan**
  - Analysis and Reporting
    - Review results within CB and DC plan specifications and employee records
    - Customizable proposal report
      - Available from the DC: Reports > Studies and Proposals > DC/CB Combo
      - Print to PDF
      - Export to Extract File for integration with your own customized proposal reports



DC: Reports > Studies and Proposals > DC/CB Combo

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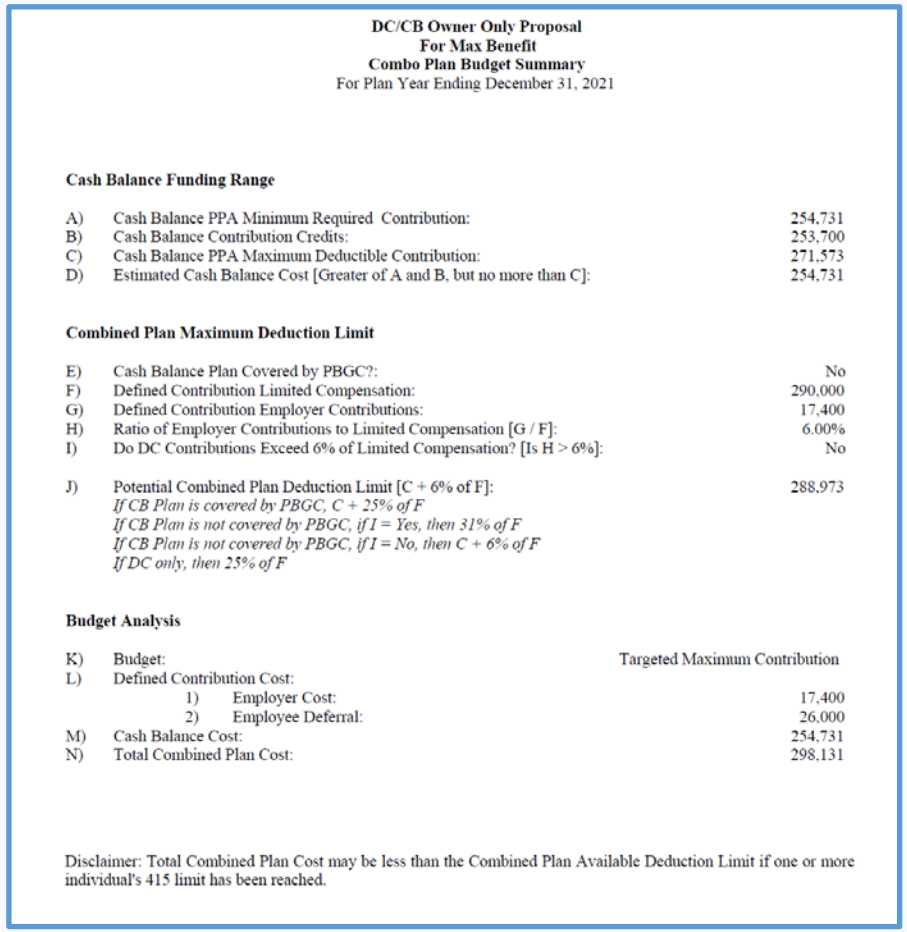
ASC – Defined Benefit Enhancements

- **DC Cash Balance Proposal for One Participant Plan**
  - Analysis and Reporting
    - DC: Reports > Studies and Proposals > DC/CB Combo
      - Sample Combo Plan Budget Summary provides highlights of how combined plans achieve the targeted budget amount
        - In some cases, only a DC plan will be needed
    - Sample Report
      - In this sample, Budget Amount was left blank



DC/CB Owner Only Proposal
For Max Benefit
Combo Plan Budget Summary
For Plan Year Ending December 31, 2021

Cash Balance Funding Range

A)	Cash Balance PPA Minimum Required Contribution:	254,731
B)	Cash Balance Contribution Credits:	253,700
C)	Cash Balance PPA Maximum Deductible Contribution:	271,573
D)	Estimated Cash Balance Cost [Greater of A and B, but no more than C]:	254,731

Combined Plan Maximum Deduction Limit

E)	Cash Balance Plan Covered by PBGC?:	No
F)	Defined Contribution Limited Compensation:	290,000
G)	Defined Contribution Employer Contributions:	17,400
H)	Ratio of Employer Contributions to Limited Compensation [G / F]:	6.00%
I)	Do DC Contributions Exceed 6% of Limited Compensation? [Is H > 6%]:	No
J)	Potential Combined Plan Deduction Limit [C + 6% of F]:	288,973

If CB Plan is covered by PBGC, C + 25% of F
If CB Plan is not covered by PBGC, if I = Yes, then 31% of F
If CB Plan is not covered by PBGC, if I = No, then C + 6% of F
If DC only, then 25% of F

Budget Analysis

K)	Budget:	Targeted Maximum Contribution
L)	Defined Contribution Cost:	
	1) Employer Cost:	17,400
	2) Employee Deferral:	26,000
M)	Cash Balance Cost:	254,731
N)	Total Combined Plan Cost:	298,131

Disclaimer: Total Combined Plan Cost may be less than the Combined Plan Available Deduction Limit if one or more individual's 415 limit has been reached.

DC: Reports > Studies and Proposals > DC/CB Combo – Combo Plan Budget Summary

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ASC – Defined Benefit Enhancements

- **DC Cash Balance Proposal for One Participant Plan**

  - Additional considerations

    - Review results carefully
    - You may adjust the Cash Balance formula to fit your client's goals.
    - The combo plan in ASC is meant for use for the budget proposal purposes. It may not be appropriate for valuation purposes.
    - This budget calculator is designed for one person plans only

  - Stay tuned for future enhancements

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ASC – Defined Benefit Enhancements

- **Additional Programming Highlights**
  - Cash Balance Plans
  - Funding Calculations and Reports
  - Compliance Testing and Reports
  - Participant Termination / Optional Forms Reports
  - Plan Maintenance

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Thank you!

We ❤ our users!

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