



*Actuarial Systems Corporation*

# 2021 Fall Release



# Defined Benefit Updates

# ASC – Defined Benefit Enhancements

## Rates and Tables

- 2022 PBGC Rates are updated
  - Flat Premium Rate - \$88.00
  - Variable Premium Rate – 0.048 per \$1,000
  - MAP-21 per Participant Cap - \$598
- 2022 Covered Compensation
  - Create from Update Memo instructions
    - Page 3
  - Example in System Reference Manual
    - Page 6-11

The image displays four software dialog boxes. The top row contains three 'PBGC Values' dialog boxes, each with a table of data for years 2013 through 2022. The bottom row contains a 'TBLMAINT' dialog box for 'Covered Compensation Tables'.

Year	Rate
2013	42.00
2014	49.00
2015	57.00
2016	64.00
2017	69.00
2018	74.00
2019	80.00
2020	83.00
2021	86.00
2022	88.00

Year	Rate
2013	0.009
2014	0.014
2015	0.024
2016	0.030
2017	0.034
2018	0.038
2019	0.043
2020	0.045
2021	0.046
2022	0.048

Year	Cap
2013	400.00
2014	412.00
2015	418.00
2016	500.00
2017	517.00
2018	523.00
2019	541.00
2020	561.00
2021	582.00
2022	598.00

The 'TBLMAINT' dialog box shows the 'Covered Compensation Tables' section. The 'Table Name' is 'T2 2022' and the 'Description' is '2022 Covered Compensation Table II'. The 'Table Type' is set to 'Table 2' with 'Table year' set to '2022'. There are 'Save' and 'Cancel' buttons at the bottom.

# ASC – Defined Benefit Enhancements

## Rates and Tables (Continued)

- Funding and 417(e) Segment Rates
  - Included in the Release
    - September funding rates
    - August 417(e) rates
- Download from Client Support Center (and included in Patch A)
  - Instructions found in Yieldcurveandsegmentratesimport.pdf
  - October funding rates
  - September 417(e) rates

The image shows two overlapping screenshots. The top one is a screenshot of the TBLMAINT software interface, specifically the 'Segment Rates Tables' window. It displays a table with columns for 'Name' and 'Description'. The bottom screenshot is of the Client Support Center website, showing the 'Updates & Downloads' section. It lists various files for download, with two files selected: 'yieldcurveandsegmentrates.zip' and 'yieldcurveandsegmentratesimport.pdf'. The website also shows a user login form with fields for Name, Company Name, Email, and Phone Number.

Name	Description
202107G1	07/2021 ARP21 Funding Rates for Plan Years beginning in 2021
202108A	08/2021 Funding Rates
202108D	08/2021 PBGC and 417(e) Rates for Plan Years beginning in 2012 and later
202108F7	08/2021 HATFA Funding Rates for Plan Years beginning in 2020
202108F8	08/2021 HATFA Funding Rates for Plan Years beginning in 2021
202108G0	08/2021 ARP21 Funding Rates for Plan Years beginning in 2020
202108G1	08/2021 ARP21 Funding Rates for Plan Years beginning in 2021
202109A	09/2021 Funding Rates
202109F7	09/2021 HATFA Funding Rates for Plan Years beginning in 2020
202109F8	09/2021 HATFA Funding Rates for Plan Years beginning in 2021
202109G0	09/2021 ARP21 Funding Rates for Plan Years beginning in 2020
202109G1	09/2021 ARP21 Funding Rates for Plan Years beginning in 2021
202109G2	09/2021 ARP21 Funding Rates for Plan Years beginning in 2022

Tables	Download Date
<input type="checkbox"/> PPA2009to13Mortality.zip	11/1/2017 4:51:42 PM
<input type="checkbox"/> PPA2014&2015&SOA2014MORTALITY.zip	8/4/2016 3:06:15 PM
<input type="checkbox"/> PPA2016MORTALITY.zip	8/3/2016 1:49:31 PM
<input type="checkbox"/> PPA2017Mortality.zip	1/24/2017 11:29:26 AM
<input type="checkbox"/> PPA2018Mortality.zip	10/6/2017 10:43:40 AM
<input type="checkbox"/> PPA2018ProposedRule.zip	11/1/2017 4:56:34 PM
<input type="checkbox"/> SOA 2D Mortality Projection Scales.zip	10/27/2021 9:01:40 AM
<input checked="" type="checkbox"/> yieldcurveandsegmentrates.zip	10/22/2021 10:59:23 AM
<input checked="" type="checkbox"/> yieldcurveandsegmentratesimport.pdf	6/22/2021 6:01:51 PM

# ASC – Defined Benefit Enhancements

## Rates and Tables (Continued)

- 2022 Funding and 417(e) Mortality Tables
  - “PPA2022Mortality.zip”
- *PPA Mortality Tables Import Instructions.pdf*
  - Steps on how to load the mortality tables to your system
- Both files available for download from the Client Support Center

The screenshot displays the 'Client Support Center' interface. At the top, there is a navigation bar with the ASC logo, 'Client Support Center' text, a search bar for 'Search ASC FAQs', and a 'client LOG OFF' button. Below the navigation bar, the 'Updates & Downloads' section is active, showing a list of files under the 'Tables' category. The files list includes:

File Name	Download Date
<input checked="" type="checkbox"/> PPA Mortality Tables Import Instructions.pdf	12/21/2020 12:17:55 PM
<input type="checkbox"/> PPA2008Mortality.zip	11/1/2017 4:49:07 PM
<input type="checkbox"/> PPA2009to13Mortality.zip	11/1/2017 4:51:42 PM
<input type="checkbox"/> PPA2014&2015&SOA2014MORTALITY.zip	8/4/2016 3:06:15 PM
<input type="checkbox"/> PPA2016MORTALITY.zip	8/3/2016 1:49:31 PM
<input type="checkbox"/> PPA2017Mortality.zip	1/24/2017 11:29:26 AM
<input type="checkbox"/> PPA2018Mortality.zip	10/6/2017 10:43:40 AM
<input type="checkbox"/> PPA2018ProposedRule.zip	11/1/2017 4:56:34 PM
<input type="checkbox"/> PPA2019MORTALITY.zip	12/18/2017 5:12:18 PM
<input type="checkbox"/> PPA2020MORTALITY.zip	3/27/2019 9:29:04 AM
<input type="checkbox"/> PPA2021MORTALITY.zip	12/11/2019 5:09:08 PM
<input checked="" type="checkbox"/> PPA2022MORTALITY.zip	12/21/2020 12:18:11 PM

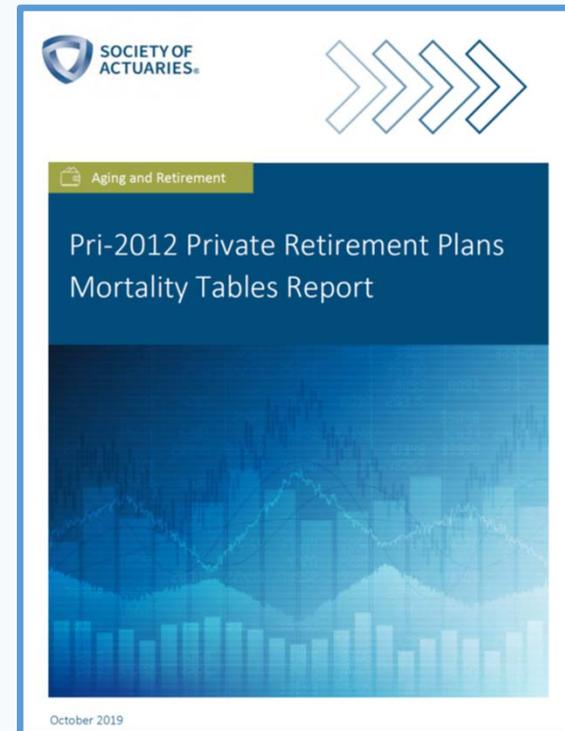
At the bottom of the file list, it says '2 files selected for download' and there is a 'DOWNLOAD FILES' button. On the right side of the page, there is a user profile section with the following information:

- Name: Valerie Lopez
- Company Name: ASC
- Email: Support@asc-net.com
- Phone Number: (800) 950-2082

# ASC – Defined Benefit Enhancements

## Rates and Tables (Continued)

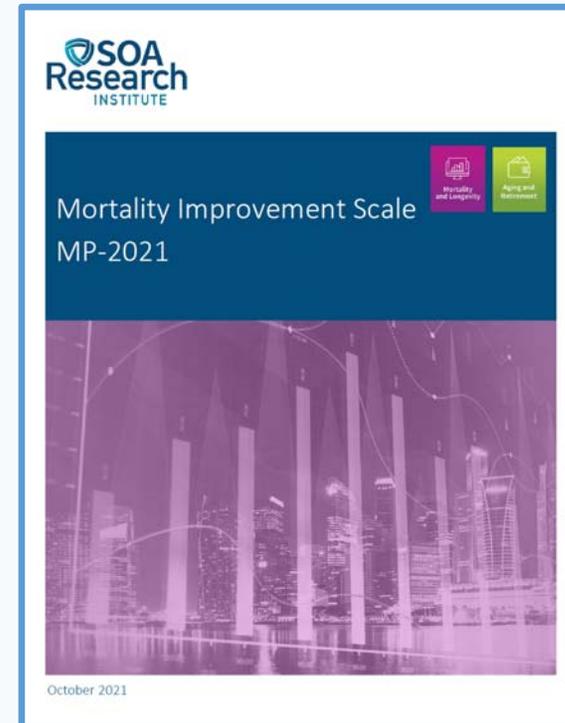
- SOA Base Tables
  - Typically used when 2-D Generational mortality projection calculations are needed
  - No new base tables
  - Pri-2012 tables are the most current
  - PRI-2012 Mortality.zip file available for download from Client Support Center \ Tables page



# ASC – Defined Benefit Enhancements

## Rates and Tables (Continued)

- NEW! SOA 2021 Generational Mortality Projection Scales
  - Designed for use with Pri-2012 Base Tables
  - MP2021M / MP2021F scales will be included in Patch A available on November 15
- Combined folder with 2014 to 2021 generational projection scales are available for download from the Client Support Center
  - SOA 2D Mortality Projection Scales.zip
  - Individual files can be imported to ASC from the Table Maintenance > Functions > Import/Export Tables menu
- *DB Tables – Generational Mortality Projection Documentation.pdf* available for download from the Client Support Center
  - Provides background and user guide information for using 2-D generational mortality scales in ASC



# ASC – Defined Benefit Enhancements

## Rates and Tables (Continued)

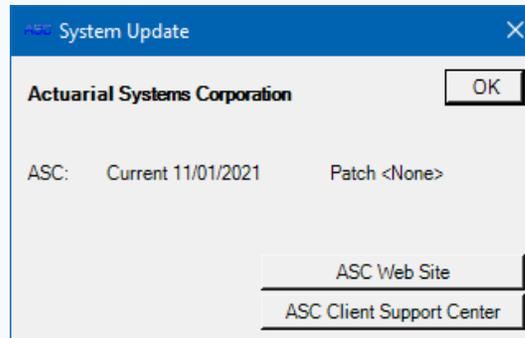
- SOA Mortality Improvement Model
  - New SOA tool allows users to create their own generational projection scales
  - Visit [soa.org/resources/research-reports/2021/mortality-improvement-model](https://soa.org/resources/research-reports/2021/mortality-improvement-model) for the report, User Guide, and the Excel model
  - Contact ASC Support for assistance uploading custom generational scales to Table Maintenance





# General Enhancements from our ASC System Update Memo

# ASC – Schedule for Release and Patch Files

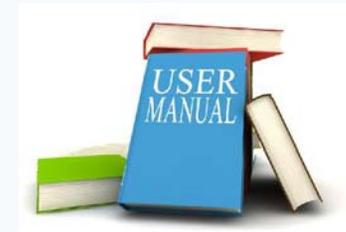


- Spring and Fall Releases. Spring is typically posted at the end of May or beginning of June.
- Patch Files are posted on the 2<sup>nd</sup> and 4<sup>th</sup> Monday of each month.

# 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:

- Budget Manual
- Compliance Testing Manual
- DB Reference Manual
- DC/401k Training Manual
- Grid Manual
- Money Manager Link Manual
- Reports Reference Handbook
- Systems Reference Manual



- Online Help, press <F1> from any Employee field, Plan Spec field, or Menu command.
- FAQ's updated online. If you see the link embedded with "https" there is a video available.



FAQ 157: ADP--Inputting prior year ADP/ACP numbers

Problem:

I can't find where to input the prior non-HCE numbers for ADP testing.

Solution:

<https://asc-net.wistia.com/medias/qkglrcue8m>

Go to the ADP Test (TESTADP) screen in the Values section of the plan specs and input the averages in the Prior Year's Non-HCE "ADP" and "ACP" boxes. Also, go to the ADP Counts (ADPCOUNT) screen in the specs and input at least a 1 in the Non-HCE "Prior Number for ADP Test" and "Prior Number for ACP Test" boxes so that the system will know that there were non-HCEs in the plan last year.

<https://asc-net.wistia.com/medias/qkglrcue8m>

# ASC – COLAs for 2022 – increase by 5.9%!

The following have been coded in the system:

401(a)(17) Compensation \$305,000  
Taxable Wage Base \$147,000  
415(c) DC \$ Limit \$61,000  
415(b) DB \$ Limit \$245,000  
Deferral \$20,500  
HCE Compensation 414(q)(1)(B) and (C) \$135,000  
Key Officer Compensation 416(i)(1)(A)(i) \$200,000  
Catchup \$6,500

The image shows two side-by-side screenshots of software windows. The left window is titled 'Maximum Compensation' and the right window is titled 'Maximum Addition'. Both windows contain a table with two columns: 'Year' and 'Maximum'. The 2022 row in both tables is highlighted in blue.

Year	Maximum
2016	265000
2017	270000
2018	275000
2019	280000
2020	285000
2021	290000
2022	305000

Year	Maximum
2016	53000
2017	54000
2018	55000
2019	56000
2020	57000
2021	58000
2022	61000

\*IRS notice 2021-61 released 11/4/2021

Historical COLA increases: 2021: 1.3%, 2020: 1.6%, 2019: 2.8%, 2018: 2.0%, 2017: 0.3%, 2016: 0%, 2015: 1.7%, 2014: 1.5%, 2013: 1.7%, 2012: 3.6%, 2011: 0%, 2010: 0%, 2009: 5.8%

PBGC Premium rates for 2022 have been updated. Minimum 417(e) segment rates have been updated. Funding segment rates have been updated through September 2021 for MAP21, HATFA, and ARP21.

# ASC – Reminders “to do” Annually

- **Updating System Pattern Plans**

- Your system Pattern Plans (e.g., DC, DB) should be updated annually so that any new plans created will have the current plan year beginning and end dates, as well as the two current dollar limit fields:
  - Maximum Compensation (DC: BLMAXCMP; DB: CLMAXCMP)
  - 415 limits – Maximum Allocation (BLMAXAMT)
  - 415 limit – Maximum Benefit (LMMAXBEN)

- **Updating Covered Compensation Tables**

- Each year, Defined Benefit System users must create the new covered compensation tables for their system. These are not automatically loaded as we do not replace your tables file since it also includes custom tables. To do this, select Access-Table Maintenance and then click on Covered Compensation in the browse tree on the left side. Click Add, enter the appropriate data for T2 2021 and click Save. The table is then created and resides on your network for access by all users.

# ASC – Wizards to perform year-end functions

**Wizards to batch perform year-end functions** - wizards are available to batch perform year-end functions: All run from ASC(Untitled)

- Create a Plan Listing before Archiving (Access-Ascript-Export)
- Rolling all your plans forward to the next year (Utilities-Wizards-Execute)
- Creating year-end census request files to email (Utilities-Wizards-Execute)
- Lifetime Income Statement Assumptions (Utilities-Wizards-Execute)
- Creating a Listing of all those who need RMDs (Reports-Other-Age 72 (and over))
- Creating an Export for 1099-R's (Utilities-Export-1099R)



# ASC – A Study of the Census Request Wizard

The screenshot displays the ASC software interface. The main menu is open, showing the 'Utilities' menu with 'Wizards...' selected. A sub-menu is visible, listing options such as 'Execute...', 'Execute ASCript...', 'External File...', 'Formulas...', 'ASCript...', 'UserData...', and 'Wizard...'. The file explorer window shows the path 'This PC > OS (C:) > ASCAPP > ASCNET > REPORTS'. The file list includes:

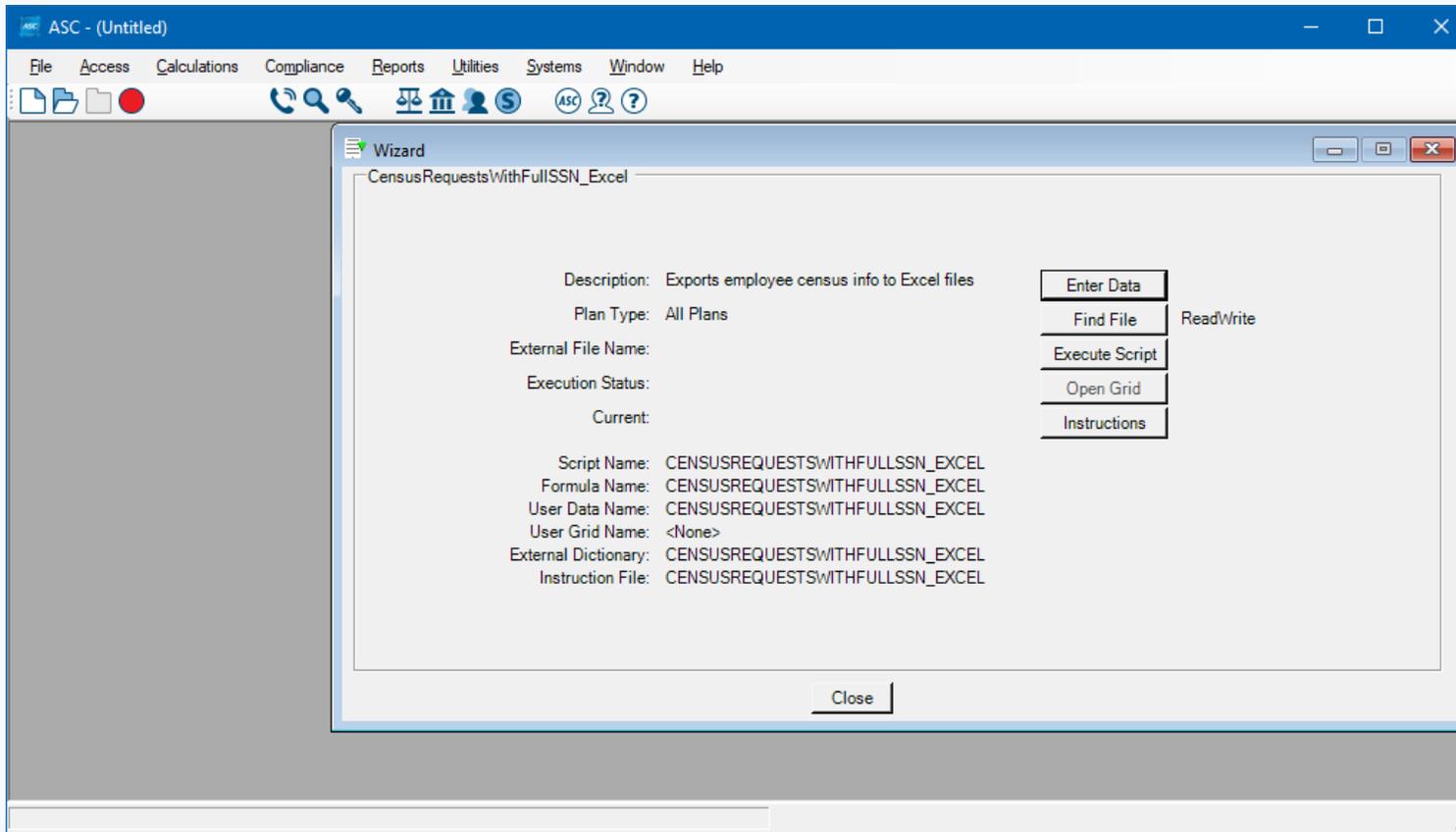
Name	Date modified	Type	Size
CensusRequests.wzd	2/3/2020 12:24 PM	WZD File	1 KB
CensusRequests_GeminiSponsor_DB.wzd	2/3/2020 12:24 PM	WZD File	1 KB
CensusRequests_GeminiSponsor_DC.wzd	2/3/2020 12:24 PM	WZD File	1 KB
CensusRequestsWithFullSSN.wzd	2/3/2020 12:24 PM	WZD File	1 KB

The file explorer window also shows the file name 'CensusRequests.wzd' and the file type 'Wizard Files (\*.WZD)'. The 'Open' button is highlighted.

**ASC main menu – Click on Utilities-Wizards-Execute**

**Open – Census Request wizard of choice ( If you use Gemini, use the appropriate wizard under ASCNET\REPORTS folder)**

# ASC – The Census Request Wizard (Continued)



CLICK ON  
ENTER  
DATA

# ASC – The Census Request Wizard (Continued)

**User Data Entry**

User Data

Drive and directory to store files in? **c:\temp\**

Disk to Start with? **D17**

Disk to End with? **D17**

Plan Number to Start with? **1**

Plan Number to End with? **9999**

Current Plan Year End to Export? **12312020**

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Report Title **Employee Census Request**

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Column Headings (click 'Next' button)

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**Prev** **Next** **OK** **Cancel**

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**User Data Entry**

User Data

Column 11 heading (user-defined): **Deferral**

Column 12 heading (user-defined): **Match**

Column 13 heading (user-defined): **Sec. 125**

Column 14 heading (user-defined): **Roth**

Column 15 heading (user-defined):

-----

Status Codes to Include (or "ALL"): **ABCSYEUI**

**Prev** **Next** **OK** **Cancel**

**User Data Entry**

User Data

Name column heading: **Employee Name**

Social Security Number column heading: **SSN**

Gender column heading: **Sex**

Birth Date column heading: **Date of Birth**

Hire Date column heading: **Date of Hire**

Hours Worked column heading: **Hours**

Termination Date column heading: **Date of Termination**

Rehire Date column heading: **Date of Rehire**

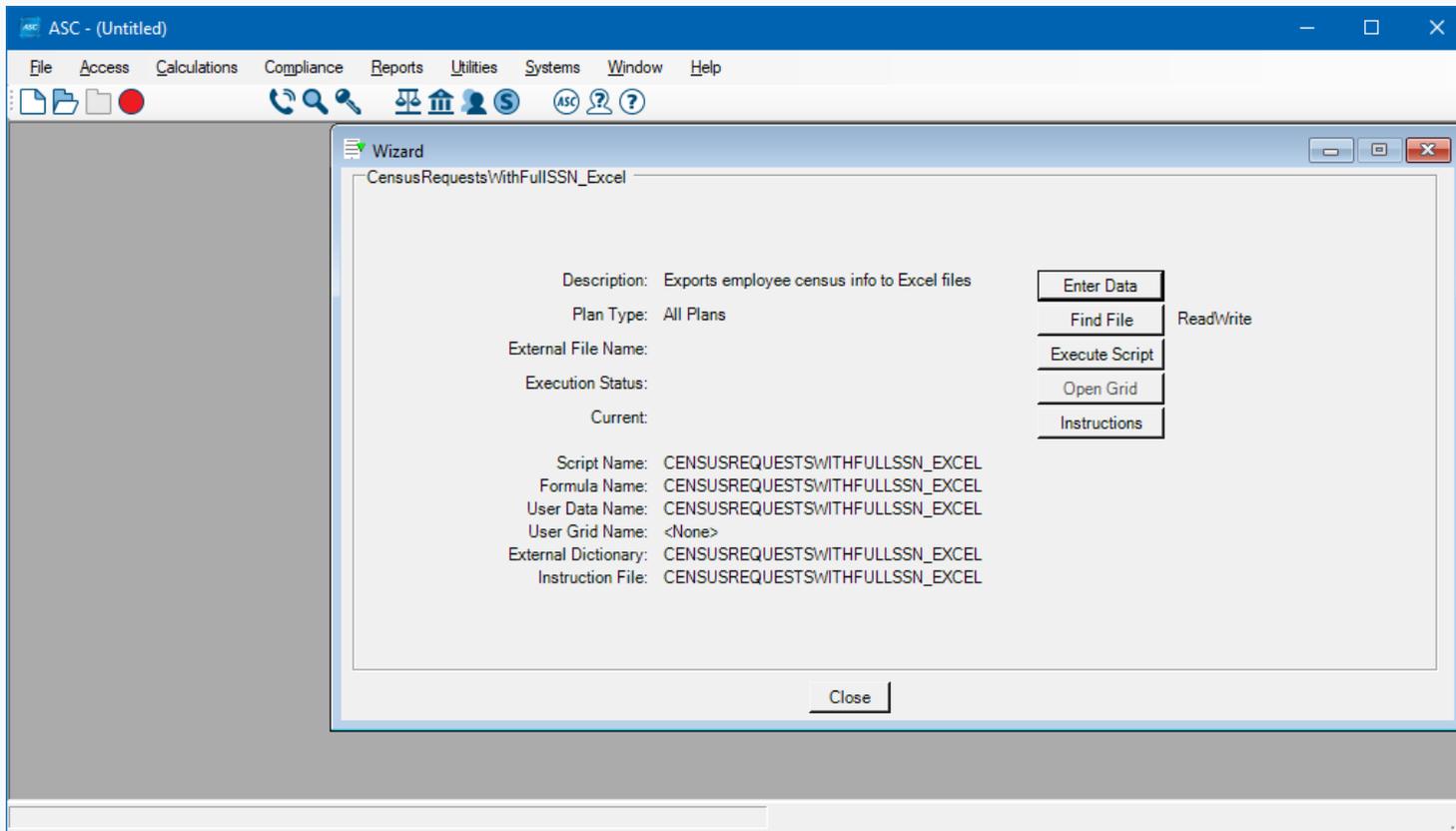
Column 9 heading (user-defined): **Compensation**

Column 10 heading (user-defined): **Ownership %**

**Prev** **Next** **OK** **Cancel**

**COMPLETE  
THE FORMS,  
CLICK OK**

# ASC – The Census Request Wizard (Continued)



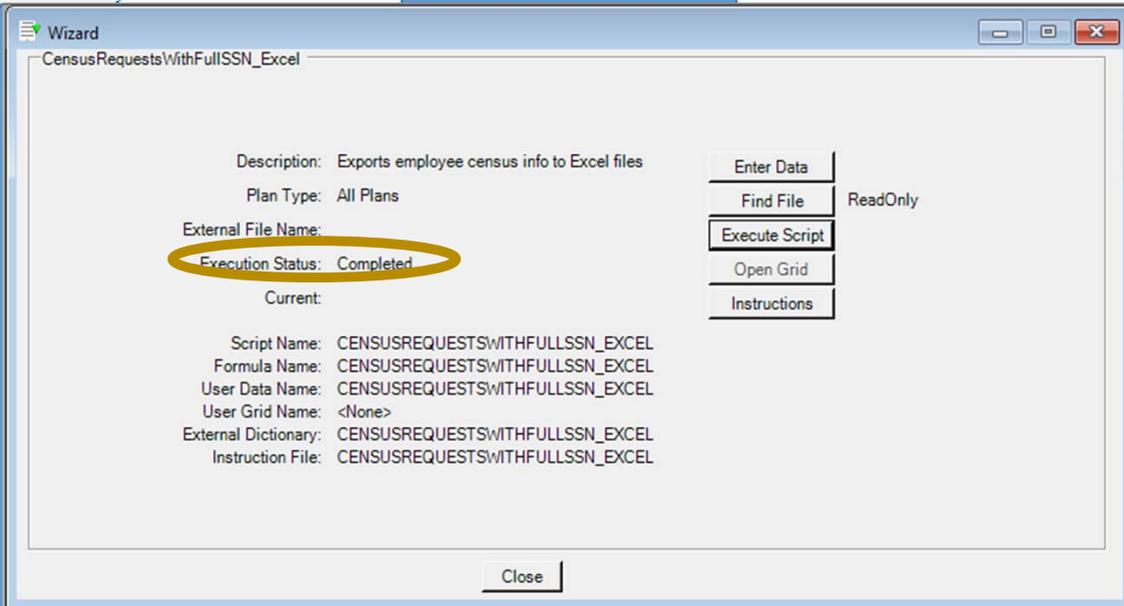
CLICK ON  
EXECUTE  
SCRIPT

# ASC – The Census Request Wizard (Continued)



**CLICK  
ON YES**

**THE WIZARD OPENS THE PLANS TO EXPORT THE CENSUS REQUEST FILES AND SAVES THEM TO THE REQUESTED FOLDER AND ENDS WITH COMPLETED**



# ASC – The Census Wizard (Continued)

## LISTING OF FILES SAVED BY CENSUS REQUEST WIZARD

OS (C:) > TEMP > CENSUSREQUESTS														
Name														
ASC DC System Dem_D17_87.xls														
ASC Interactive Work_D17_27.xls														
ASC Interactive Work_D17_28.xls														
ASC Interactive Work_D17_29.xls														
ASC Interactive Work_D17_30.xls														
ASC Interactive Work_D17_31.xls														
ASC Interactive Work_D17_32.xls														
ASC Interactive Work_D17_33.xls														
ASC Interactive Work_D17_34.xls														
ASC Interactive Work_D17_35.xls														
ASC Interactive Work_D17_36.xls														
ASC Interactive Work_D17_42.xls														

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	ASC Interactive Workshops														
2															
3	Employee Census Request														
4															
5	For the Plan Year Ending 12/31/2021														
6															
7	Employee Name	SocSecNum	Sex	Birth Date	Date of Hire	Hours	Date of Termination	Date of Rehire	Compens	Ownershi	Deferral	Match	Sec. 125	Roth	
8	10Employee	555-10-4789	M	2/4/1997	6/30/2020										
9	01Employee	111-11-1111	M	5/29/1965	1/1/2017										
10	02Employee	222-22-2222	M	4/14/1984	1/1/2017										
11	03Employee	333-33-3333	M	6/7/1968	1/1/2017										
12	04Employee	444-44-4444	M	4/30/1970	1/1/2017										
13	05Employee	555-55-5555	M	8/2/1981	1/1/2017										
14	06Employee	666-66-6666	M	9/10/1990	1/1/2017										
15	07Employee	777-77-7777	M	10/15/1995	1/1/2017										
16	08Employee	888-88-8888	M	11/18/1997	1/1/2017										
17	09Employee	999-99-9999	M	3/7/1990	4/1/2020										
18															
19															
20															
21															

**SAMPLE OF CENSUS REQUEST, PLAN NAME, PLAN YEAR**

# ASC – General 2021 Enhancement Review

## 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											

# ASC – DC/401K 2021 Enhancement Review

## 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 and our previous 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>

# ASC – DC/401k 2021 Enhancement Review

## Partial Plan Termination Wizard

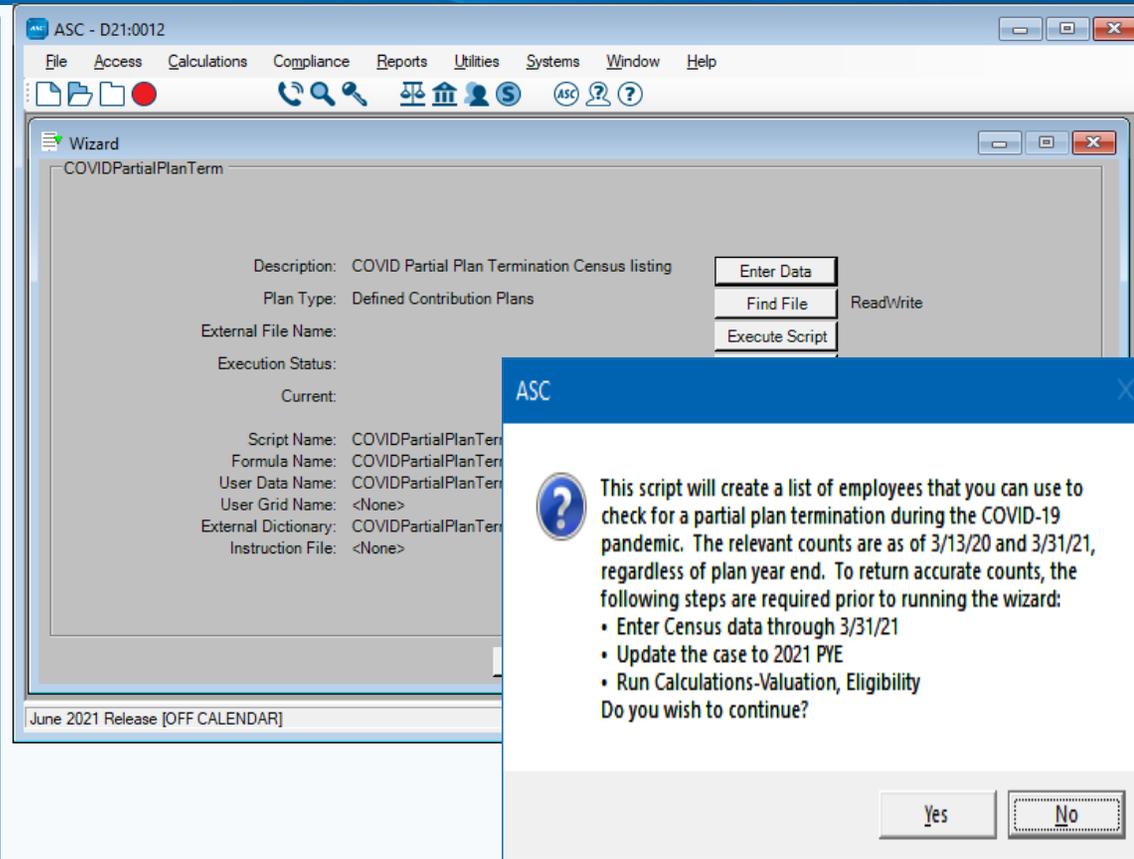
A new wizard may be used as a step to help users who are running through their checklists for facts and circumstances in determining if the facts point to a possible partial plan termination. The “COVID Partial Plan Term” wizard will provide a listing of the employees to use for checking the turnover 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.

# ASC – DC/401k 2021 Enhancement Review

## Partial Plan Termination Wizard

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



# ASC – DC/401k 2021 Enhancement Review

Partial Plan Termination Census Listing		Partial Plan Termination Wizard												
Name	SSN	Birth	Hire	Termination	Rehire	Entry	Status	Hours	Excl. Statu	Empl. Stat	Comp	07/31/20 - 07/31/20 - Hire	07/31/20 - Ter	07/31/20 - 07/31/20 - Comp
Retrieve the exported text or xls file and open it to review the results.														
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.



# ASC – DC/401k Enhancements

## **SECURE Act Enhancement to the Participant Statements for the “Lifetime Income Attachment”**

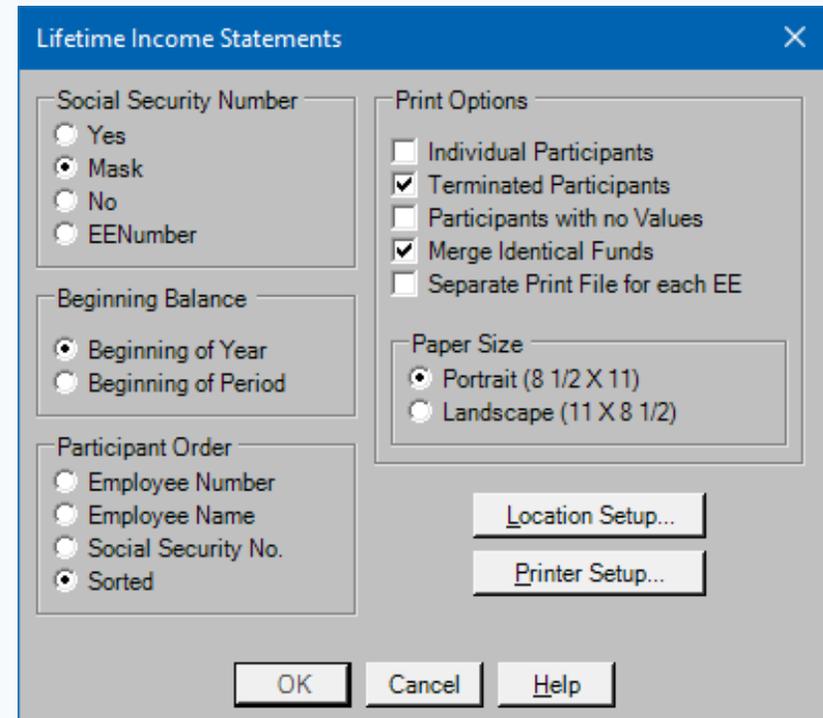
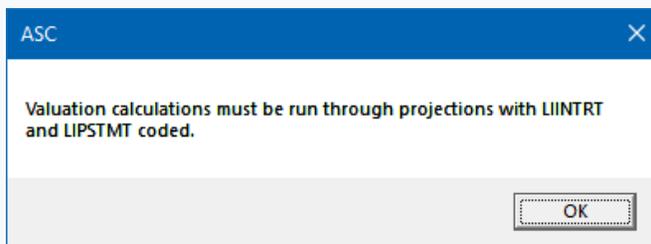
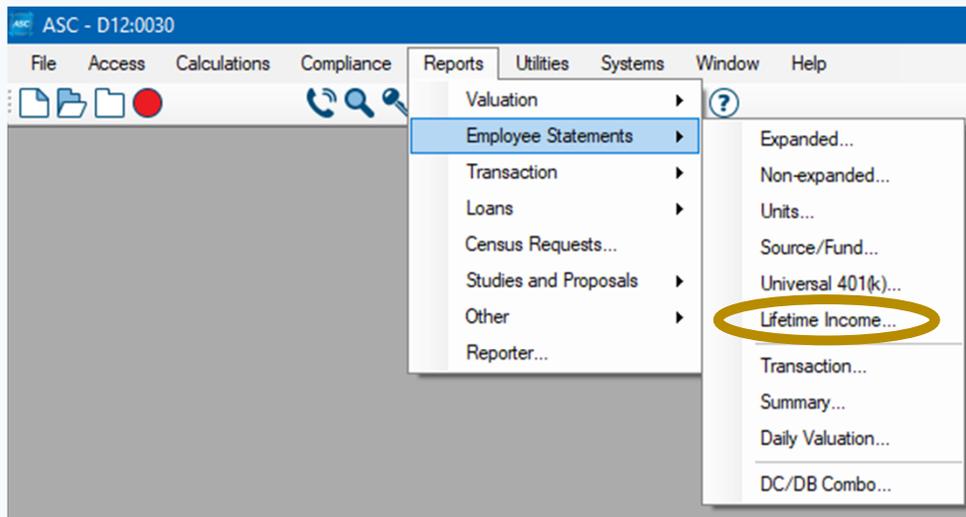
Effective 9/18/21 a Defined Contribution Plan must illustrate once per year, for each participant, the value of an account balance expressed as a Life annuity and as a 100% joint and survivor annuity in dollars/month.

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>

# ASC – DC/401K Enhancements

## Stand alone Lifetime Income Statement



# ASC – DC/401k Enhancements

## Participant Statements “Lifetime Income”

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  
OR Print the stand alone Lifetime Income Statement

# 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>



Select type of Interest Rate Data												
Daily Treasury Yield Curve Rates	Go											
Select Time Period												
2020	Go											
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.]

# 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.

The screenshot shows the TBLMAINT application interface. On the left is a tree view with categories: Insurance, Defined Benefit, Defined Contribution, and Functions. The 'Import / Export Table' dialog box is open, showing the following fields:

- Table Option:**  Import Table from File,  Export Table to File
- Import Data:** Table Type: Mortality, Table Name: RP22C U
- File Information:** File: RP22C U (with Setup... button), Path: C:\ASCAPP\ASCNET\REPORTS\
- Function:** Import Table (button)
- Buttons: Cancel, Help

Name	Date modified	Type	Size
RP21C U.DAT	5/12/2021 10:08 AM	DAT File	11
RP22C U.DAT	5/12/2021 10:08 AM	DAT File	20

# ASC – DC/401k Enhancements

PLANSPEC - D21:0010

File Edit Search View Options Window Help

ENTER INTO PLAN SPECS

View

Specifications

- General
  - Identification
    - ID
    - ELIG
    - SECELIG
    - TERELIG
    - ALTELIG
    - RETIRE
  - Vesting
  - Definitions
  - Insurance
  - Assumptions
    - PROJECT
    - AGEBASED
    - FLOOROFF
  - Daily Valuation
    - Source
    - Fund
    - Loan
    - Values
    - Transactions
    - Locations

Projection Assumptions

Normal Form

Illustration Age: 2 - Age Nearest

Projected Age:  Years Certain:

Percent to Survivor:  Years Wife's Younger:

Percent Males Married:  Percent Females Married:

Lifetime Income

Interest Rate: .92

Mortality Table: RP22C U

Pre-Retirement

Interest Rate 1: 8.00 Number of Years: 99

Interest Rate 2: 8.00 Number of Years: 99

Interest Rate 3: 8.00

Post-Retirement

Interest Rate: 8.00

Load:

COLA:

Tables

Male Female

Pre-Retirement Mortality:   Annuity Table - Male:

Post-Retirement Mortality: UP-84 UP-84 Annuity Table - Female:

OK Cancel

# ASC – DC/401k Enhancements

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

The screenshot displays the Valuation software interface for an employee named BOND, JAMES 2. The interface is divided into several sections:

- Calculation Option:** Radio buttons for Complete Calculation, Partial Calculation, Selected Calculations (selected), and Vesting Calculations.
- Partial Calculation:** A list of calculation types including Eligibility, Limit Compensation, Social Security, Allocations, Insurance, and Plan Totals & Projections. The 'Plan Totals & Projections' option is selected.
- Vesting Calculations:** Checkboxes for Vested Percents and Vested Amounts.
- Data Checks:** Fields for Plan and Employee.
- Selected Calculations:** A list of calculation types with checkboxes. 'Plan Totals and Projection', 'Allocate Cont/Frf to Fur', 'Vested Amounts', and 'Projected Balances' are checked.
- View:** A tree view showing the structure of the calculation, including Basic Data, Account Values, Calculation Totals, Limits, and Compliance. 'PROJBAL' is highlighted under Calculation Totals.
- Projected Balances - BOND, JAMES 2:** A table showing projected balances for various sources.
 

Balance	Projections
DEFERRAL	13947.03
Source #2	
MATCHING	776.89
Source #4	
ROLLOVER	
Source #6	
Source #7	
Source #8	
Source #9	
Source #10	
- Rate:** Annuity Rate: 105.086
- Floor/Offset:** A table for setting floor/offset values for different contribution types.
 

	Balance	Benefit
No future contrib		
Level future contrib		
Salary scale contrib		
- Lifetime Income:** A section highlighted with a red box, showing calculated lifetime income values.
 

Life only APR	200.096
100% J&S Rate	243.324

\*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.

# ASC – DC/401k Enhancements

## Lifetime Income

Table Maintenance - Functions  
Calc Annuity Rates:

Age – 67  
Interest – 1.5%

**Life APR- 200.096**

The screenshot shows the 'Calculate Annuity Rates' window in the TBLMAINT application. The interface includes a menu bar (File, Edit, Search, View, Options, Window, Help) and a tree view on the left. The main window is divided into several sections:

- Standard Data:** Primary Mortality (RP21C U), Contingent Mortality, Interest Rate (1.5).
- Options:** Period Certain, Percent to Survivor, COLA, Initial Benefit, Maximum Benefit.
- Ages:** Print table of annuity rate (checkbox), Retirement Age (67), Primary Ending Age, Contingent Age, Contingent Ending Age.
- Age Calculator:** Birth Date, Benefit Date, Calculate Age button.
- Function:** Calculate APR button, displaying the result: 200.0954493027.

## Lifetime Income

Life only APR

100% J&S Rate

# ASC – DC/401k Enhancements

## Lifetime Income

Table Maintenance - Functions  
Calc Annuity Rates:

Age – 67  
Interest – 1.5%

**J&S APR- 243.324**

### Lifetime Income

Life only APR

100% J&S Rate

**TBLMAINT**

File Edit Search View Options Window Help

View

- Insurance
  - Vesting Schedule
  - Employee Locations
  - Fee Schedules
- Defined Benefit
  - DB/CB Formulas
  - Annuity/Accrual
  - Early Retirement
  - Bond Yield Curves
  - Segment Rates
  - Generational Mortality
- Defined Contribution
  - Contribution Formulas
  - Matching Formulas
  - Entry Dates
  - Eligibility
- Functions
  - Calc Annuity Rates
  - Calc PV Factors
  - Commutation Functions
  - Project/Setback Mortality
  - Print List
  - Import/Export Tables

**Calculate Annuity Rates**

Standard Data

Primary Mortality

Contingent Mortality

Interest Rate

Options

Period Certain

Percent to Survivor

COLA

Initial Benefit

Maximum Benefit

Ages

Print table of annuity rate

	Years	Mos.	Days
Retirement Age	<input type="text" value="67"/>	<input type="text" value=""/>	<input type="text" value=""/>
Primary Ending Age	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
Contingent Age	<input type="text" value="67"/>	<input type="text" value=""/>	<input type="text" value=""/>
Contingent Ending Age	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>

Age Calculator

Birth Date

Benefit Date

Years  Mos.  Days

Function

# 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  
 $35020.85/243.324 = 143.93$

## 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

# ASC – DC/401k Enhancements

## Lifetime Income Attachment Page 2

### 2021 Release 401(k) PLAN

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

#### JAMES BOND

would be higher than 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 or 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.

# ASC – DC/401k Enhancements

## **SYNOPSIS**

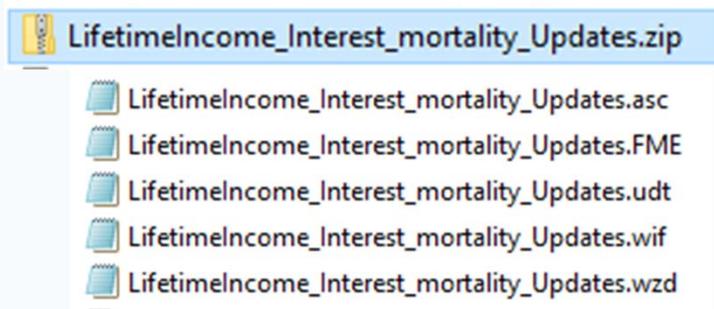
### **Stand-alone Lifetime Income Statement AND Participant Statements with “Lifetime Income Attachment”**

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

# ASC – Global Update for Lifetime Income

## Wizard to Globally update the Lifetime Assumptions (5 files – 1 zip download from CSC and Documents-ASCSystem)

- Interest
- Mortality Table
- Populates Employee APR's



ASC Client Support Center

Search ASC FAQs client LOG OFF

HOME REQUEST SUPPORT UPDATES & DOWNLOADS DOCUMENTS SYSTEM TRAINING FAQs BILLING

### Download Documentation

Select files to download:

ASC System

<input type="checkbox"/>	Importer_JohnHancock_TEDfile demo.pdf	12/2/2019 4:37:49 PM
<input type="checkbox"/>	JohnHancock_OpenArchitecture_Import_using_ASC_Importer.pdf	5/8/2020 11:44:21 AM
<input checked="" type="checkbox"/>	LifetimeIncome_Interest_mortality_Updates.zip	10/27/2021 1:22:20 PM
<input type="checkbox"/>	Lincoln_Alliance_Import_using_ASC_Importer.pdf	1/17/2019 10:54:35 AM

Name: Client

Company Name: ABC

Email: rrlad@asc-net.com

Phone Number: 214-329-4556

# ASC – Global Update for Lifetime Income

The screenshot displays the ASC software interface. The main window is titled 'ASC - (Untitled)' and features a menu bar with 'File', 'Access', 'Calculations', 'Compliance', 'Reports', 'Utilities', 'Systems', 'Window', and 'Help'. Below the menu bar is a toolbar with various icons. A 'Wizard' window is open, titled 'LifetimelIncome\_Interest\_mortality\_Updates'. The wizard displays the following information:

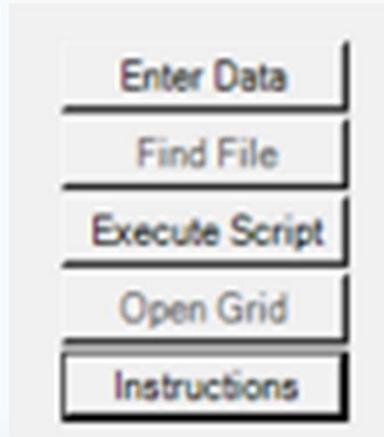
- Description: Automated Updating of Plans for Lifetime
- Plan Type: Defined Contribution Plans
- External File Name:
- Execution Status:
- Current:
- Script Name: LifetimelIncome\_Interest\_mortality\_Updates
- Formula Name: LifetimelIncome\_Interest\_mortality\_Updates
- User Data Name: LifetimelIncome\_Interest\_mortality\_Updates
- User Grid Name: <None>
- External Dictionary: <None>
- Instruction File: LifetimelIncome\_Interest\_mortality\_Updates

On the right side of the wizard, there are five buttons: 'Enter Data', 'Find File', 'Execute Script', 'Open Grid', and 'Instructions'. A 'Close' button is located at the bottom of the wizard window.

On the left side of the screenshot, there is a vertical text overlay: 'ASC (untitled)-Utilities-Wizards-Execute Open wzd file.'

# ASC – Global Update for Lifetime Income

**Click on  
Instructions and  
then Enter Data  
Then Execute  
Script.**



```
LifetimeIncome_Interest_mortality_Updates.wif - Notepad
File Edit Format View Help
Welcome to ASC's global Lifetime Income Interest and Mortality tool. This wizard will
allow you to assign interest and mortality table names for a group of plans based on Disk,
plan number and plan year end.

To get started, click on the "Enter Data" button, then input
disk address(es), the range of plan numbers, and the current plan year end that
should be updated. Please note that the plan year end is a range. To keep to only
one plan year end, insert the same date in both fields.
The mortality table must be 7 fields and should exist in Table Maintenance.
The typical table will be RP21C U there is a space between the C and the U assign the
appropriate year after RP. The interest rate is 4 numerical fields with a decimal.
When finished coding all of the input fields, click on "OK" to save those changes.

To begin creating the update to the Plan Spec fields for Lifetime Income
annuity calculations, click on the "Execute Script" button. When the
process is finished, it will say "Completed" next to Execution Status. Then go to
the plan selected for update and check to see if the fields list the rate and mortality
table in Plan Specs and Assumptions and Projected screen.

This wizard will also run the calculations to populate the apr fields in the individual employee records.
```

# ASC – Global Update for Lifetime Income

Fill in the User Data Entry Form Then click OK and Execute Script.

ASC - (Untitled)

File Access Calculations Compliance Reports Utilities Systems Window Help

Daily Treasury Yield Curve Rates [Go]

Select Time Period  
Current Month [Go]

Date	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr
10/01/21	0.08	0.04	0.04	0.05	0.09	0.27	0.49	0.93	1.26	1.48

Wizard  
LifetimeIncome\_Interest\_mortality\_Updates

User Data Entry

User Data

Disk to Start with? D12

Disk to End with? D12

Disk Address to Skip? DEF

Plan Number to Start with? 1

Plan Number to End with? 9999

Plan Year End to Start with? 12312020

Plan Year End to End with? 12312021

Input this mortality table? RP21C U

Input this interest rate? 1.48

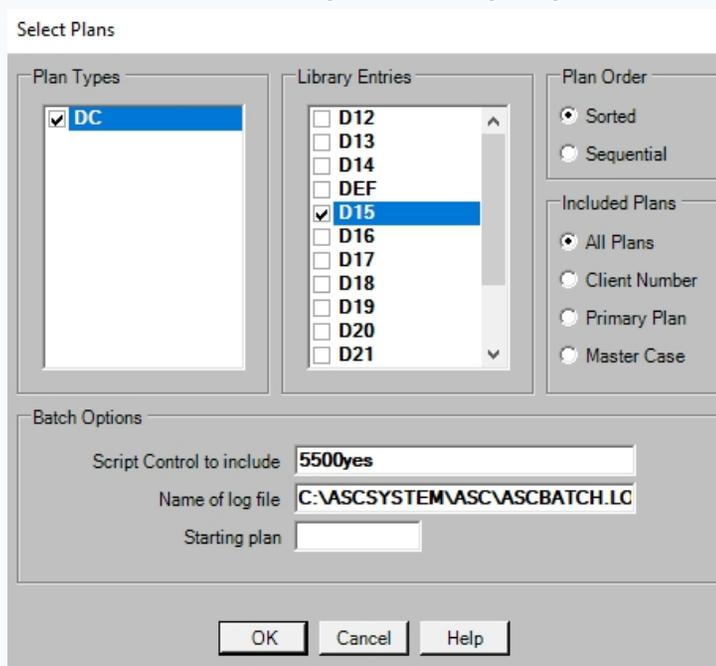
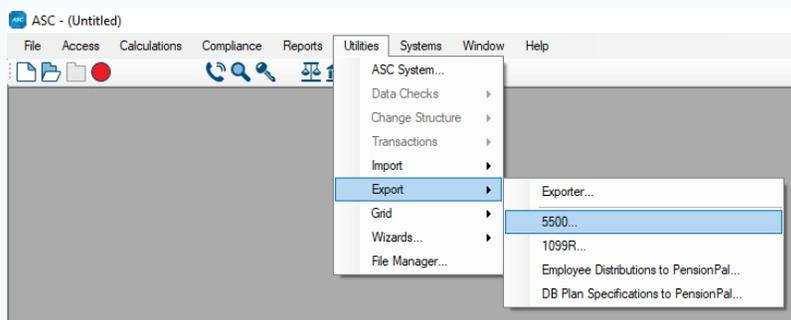
Prev Next OK Cancel

# 5500 Export Enhancement

A new 5500 menu command to export and combine 5500 participant counts and financial data for 5500/5500SF forms has been added. The utility is located on the main ASC menu under Utilities – Export – 5500 – Export to 5500 menu. This allows users to export multiple plans within a single library. This is done with no plans open.

Click on **Batch Selection** and select the **Plan Types**, **Library Entries** and if there is a **Script Control**.

Click **OK** and **OK** and run.



5	784
6a (1)	756
6a (2)	761
6b	3
6c	114
6e	0
6g	819
6h	66

**Schedule H**

1b(1)(b)	0
1b(2)(b)	0
1b(3)(b)	0
1c(8)(b)	150,027
2a(1)(A)	6,657,390
2a(1)(B)	6,193,054
2a(1)(C)	0
2b(1)(A)	0
2b(1)(E)	5,275
2b(2)(C)	0
2b(10)	951,798
2e(1)	460,821
2e(2)	0
2g	0

**Schedule I**

1a(b)	78,092,445
2a(1)	6,657,390
2a(2)	6,193,054
2a(3)	0
2c	957,073
2e	460,821
2g	0
2h	8,385
3e	150,027

# ASC – DC/401K Enhancements

## ASC Learning Channel



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under CC  
BY-NC-ND

# The ASC Learning Channel

## Welcome to The ASC Learning Channel

Below are DC/401(k) videos taken from our Zoom based Interactive Training Workshops.

Watch the videos on their own! Or if you want a more in-depth learning experience, you can recreate the entire Interactive Training Workshops by including the videos' accompanying Workbooks, QuickStart Guide and other materials.

To access the Training Workbooks and other materials: login to the ASC Client Support Center (CSC). From within the CSC go to Documents – ASCSystem then download the "ASC Interactive Workshop to Client" zip file.

▶ Resume

✓ Subscribed

### Interactive Training Session Overview

30 MIN

DC 401(k) & Compliance Testing

### Session 1

Navigation, New Plan, Plan Specs

25 MIN

DC 401(k) & Compliance Testing

### Session 2

Import Employees, Census Upload, EE Screens

21 MIN

DC 401(k) & Compliance Testing

### Session 3

Open an Existing Grid and Create a New Grid

13 MIN

DC 401(k) & Compliance Testing

# ASC Learning Channel – Workshops/Videos

## •Overview of Sessions – Run through an Annual valuation

- Session 1: Navigation, Create a New Plan, Setup Plan Specs
- Session 2: Import Employees, Census Upload, EE Screens
- Session 3: Open an existing grid and Create a new grid
- Session 4: Eligibility/HCE/Key/Compensation
- Session 5: Source-Contributions (Integrated, Match, Pro Rata)
- Session 6: Funds-Allocate Earnings and Fees and prove results
- Session 7: Reports and Employee Statements
- Session 8: Review Vesting, Values and Election Percent(s)
- Session 9: Catchups, 402G, Plan Limits, Top Heavy, 414(s)
- Session 10: 410(b), 401(a)(4) and ADP Testing
- Session 11: Update to New Year and Ascript Export/Import/Edit
- Session 12: Integration (Plan Docs, 5500, CATTs, PensionPal) and Importer
- Session 13: Working with Receivables and Vendor Downloads
- Session 14: Periodic Valuations and Working with Transactions and Payroll Import

Bonus video: Budget Side by Side Comparison

# ASC – Compliance Enhancements

## Minimum Variance Enhancement for Overfunding and Underfunding

Variance for over or under funding is input in the Plan Specs-BENLIMIT screen.

Users can now better take advantage of regulatory guidance waiving overfunded amounts of less than \$250 while still fully correcting all underfunded amounts in a true up. Any amount previously coded in the Minimum Variance field will be carried forward to the Minimum Variance (overfunding) field and the Minimum Variance (underfunding) field will default to blank.

PLANESPEC - D15:0044

File Edit Search View Options Window Help

View

Specifications

- General
  - Identification
  - Vesting
  - Definitions
    - GROUPDEF
    - COMPDEF
    - BENLIMIT
    - PLNLIMIT
    - TOPHMINM
    - TOPHYEAR
    - CORPORAT
- Insurance
- Assumptions
- Daily Valuation
- Source
- Fund
- Loan
- Values
- Transactions
- Locations

Benefit Limits

415 Limits

Maximum Percent

Maximum Allocation

Reduce First

Reallocate Excess over 415  EMPLOYER

Limitation Year

Reduce 415 in Calcs

404 Limits

Maximum Plan Allocation Pct

Eligibility Option

Groups Included

Hours Required

Plan Type

Plan Type

Safe Harbor Only Plan

Calculation Limits

Minimum Variance (overfunding)

Minimum Variance (underfunding)

Prorate for Short Plan Yrs

Safe Harbor

Minimum for Match

Source for Match

OK Cancel

# ASC – Compliance Enhancements

## BUDGET – FOR PARTNERSHIPS OR SOLE PROPRIETORSHIPS

A new feature called “NHCE 414(s) Ratio” has been added to the Partnership and Sole Proprietor Budget Routine dialog.

Under the Treas. Reg. 1.414(s)-1(g), if the 414(s) compensation has been modified for the common law employees, then the self-employed employees earned income is adjusted by the 414(s) NHCE ratio for allocation purposes. Users will enter the NHCE 414(s) Ratio based on the results of the 414(s) testing. The adjustment to the earned income will be applied when allocating employer contributions to self-employed employees.

Partnership Budget Routines

**Budget Amounts**

Income Allocation

- Ownership percent
- Income percent
- Expense percent
- Input income share

Rank and File Allocation

- Ownership percent
- Income percent
- Expense percent
- Input expense share

Budget Sources

Sources to Include

- EMPLOYER
- MATCH
- ERSAFE

NHCE 414(s) Ratio

Budget Amount

W-2 income included in budget

Calculate Eligibility

Calculate only owner matches

**Multiple Tier (New Comparability) Allocation**

Formula

Group #1:

Percentage

Dollar Amount

Source 2 Contribution

- Calc. (Incr. Low Group)
- Calc. (Decr. High Group)
- Amount \$
- Formula Contribution Only

Group to solve for

Minimum percent

401(g)(4) Parameters...

OK Cancel Help

# ASC – Compliance – NHCE 414(s) Ratio example

Partnership Budget Routines

Budget Amounts

Income Allocation

- Ownership percent
- Income percent
- Expense percent
- Input income share

Rank and File Allocation

- Ownership percent
- Income percent
- Expense percent
- Input expense share

Budget Sources

Sources to Include

- Employer
- Match

Budget Amount:

Calculate Eligibility

Calculate only owner matches

W-2 income included in budget:

NHCE 414(s) Ratio: **95.04**

Non-Multiple Tier Allocation

Source 2 Contribution

- Target Selected Principal
- Coded Percent (0.00%)
- Amount:

Targeted Principal(s)

1\_OWNER (58,000.00)

NOTE: "Target Selected Principal" is available only if one principal is targeted.

OK Cancel Help

Compensation - 1\_OWNER

Current Compensation

Plan: 154680.47

Excluded: 8072.55

Pre-Entry:

Current Limited Compensation

401(a)(17): 154680.47

Top Heavy Comp: 162753.02

Post-Entry: 154680.47

Miscellaneous:

Sole Proprietor - 1\_OWNER

Proprietor

W2 Income: 25000.00

Estimated Social Security Tax: 7303.60

Estimated Medicare Contribution: 2343.38

Share of Rank and File Contribution:

37147.18

Override Income Percentage:

Expense Percentage:

SoleProp/Partner Income \$: 175000.00

$$(2021 \text{ TWB}) 142800 - (W2) 25000 = 117800 * .062 = 7303.60$$

$$\text{Medicare from the W2. } 175000 * .9235 \text{ (adj.)} =$$

$$161612.50 * .029 = 4686.76 * .50 = 2343.38$$

$$\text{Match} = 2600$$

$$175000 - 7303.60 - 2343.38 = 165353.02 - 2600 = 162753.02 * .9504 = 154680.47$$

System places total comp into Top Heavy Comp field = 162753.02 and shows the Plan/Excluded pieces for allocation and testing purposes.

$$162753.02 - 154680.47 = 8072.55 \text{ Excluded Compensation.}$$

# ASC – Compliance Ineligible Contributions Report

The screenshot displays the ASC software interface with the 'Utilities - Data Checks' menu open, highlighting the 'Ineligible Contributions...' option. The 'Ineligible Contributions' dialog box is open, showing the following settings:

- Sources to Include:**
  - Employee Deferral
  - EMPLOYER MATCH
  - Safe Harbor Match
- Correction Options:**
  - Save excess to CONTRIB screen
  - Status codes to save excesses: [Text Field]
  - (Leave blank for all)
- Print Options:**
  - Print report
  - Print report parameters
  - Print all ineligibles regardless of contrib
  - Print signature line at bottom of report
- Social Security Number:**
  - Yes
  - Mask
  - No
  - EENumber
- Starting Page Number:** 0 (0 means no page numbers)
- Extract Options:**
  - Create extract file
  - [Text Field]
- Selected Locations Consecutively

Buttons: OK, Cancel, Help

A new Ineligible Contributions Report has been added to the *Utilities – Data Checks* menu. This report is designed to mimic Data Check Q to report employees with contributions, but who may be ineligible due to service or allocation requirements.

# ASC –Sample View -Ineligible Contribution Report

Example, a plan with both Deferral and Match, a user might run the Match Verification to report match excess and the Ineligible Contributions report would only be used for the Deferral source

Ineligible Contribution Report							
Plan Period January 1, 2020 Through December 31, 2020							
<u>SSN</u>	<u>Participant Name</u>	<u>Source</u>	<u>Ineligible Contrib</u>	<u>Earnings</u>	<u>Total Amt Distributed</u>	<u>Total Amt Forfeited</u>	<u>Eligibility</u>
EE10		1	16,500.00	100.00	16,600.00	0.00	Ineligible - Age
EE10		2	1,000.00	10.00	0.00	1,010.00	Ineligible - Age
EE9		1	2,000.00	50.00	2,050.00	0.00	Ineligible - Service
EE9		2	1,000.00	100.00	0.00	1,100.00	Ineligible - Age
EE4		2	1,000.00	100.00	0.00	1,100.00	Ineligible - < 1000 Hrs
EE6		2	1,000.00	10.00	0.00	1,010.00	Ineligible - Term'd > 1000 Hrs
EE3		1	2,181.05	100.00	2,281.05	0.00	Ineligible - Excluded Class
EE3		2	1,000.00	0.00	0.00	1,000.00	Ineligible - Excluded Class
<b>Totals</b>			<b>25,681.05</b>	<b>470.00</b>	<b>20,931.05</b>	<b>5,220.00</b>	
_____ Authorized Signature				_____ Date			

# ASC – Compliance Enhancements

## 410(b) and Multiple Plans – Use Selected Plan Elig for all plans

The *Multiple Plans* option called “*Use Primary Plan Elig for all plans*” has been enhanced and now called “*Use Selected Plan Elig for all plans*”. Users can now use the dropdown feature to select which plan eligibility among the linked plans to apply for coverage testing. Users no longer need to be in the Primary Plan to test coverage on that plan’s eligibility.

The screenshot displays the '410(b) Compliance' software interface. The main window is titled '410(b) Compliance' and contains several sections. The 'Multiple Plans' section is highlighted with a yellow border and contains the following options:  Multiple Plans (with a 'Setup...' button), 'Disk Plan D12 4740',  EEs Participate in Multiple Plans, and  Use Selected Plan Elig for all plans. Below these is a dropdown menu showing 'D12 4740'. The 'Secondary Plans that Benefit' section has a dropdown menu showing 'D12 4740'. The 'Test Option(s)' section has radio buttons for 'Standard Test', '401(k) (Deferral)', and '401(m)/Other 401(k)', with '401(m)/Other 401(k)' selected. The 'Sources for Standard Test' section has radio buttons for 'MATCHING', 'ROLLOVER', and 'ROTH'. The 'Sources for 401(m)/Other 401(k) Test' section has radio buttons for 'MATCHING', 'ROLLOVER', and 'ROTH', with 'MATCHING' selected. The 'Status Code to use' is set to 'Primary'. The 'Fail-Safe Option' is set to 'None'. The 'Printer Setup...', 'Location Setup...', and 'Excluded Locs...' buttons are visible at the bottom. The 'Print Report' section is also visible on the right side of the window.

# ASC – Compliance Enhancements

## Locations and 410(b) – Eligibility Ranking (for Location testing)

When *Locations* are setup with different eligibility requirements through eligibility tables users can now rank the service/age/entry requirements among the *Locations* by coding the least restrictive conditions as '1' and subsequent locations based on their individual conditions. **The most restrictive location will be coded with the highest-ranking number.** This ranking will be used in the *410(b) Coverage testing (ASC – Compliance – 410(b))* within the *Location Setup – Selected Locations* to allow the system to apply the lowest ranked location age and service requirements to all the other locations when permissively aggregating plans/locations. If on the other hand, users want to test related *Locations* separately (not permissively aggregated), they will *Select Locations* and use the Excluded Locs.. coding to show which *Select Location* is *Not Benefiting* for testing.

Modify Location

Location

Number 1

Description ABC Division

Matching Formula Table 100% to 5% Set Components

Matching Formula Avail. Ranking 1 Component 0000

Vesting Schedule

Primary Eligibility IMMED

Secondary Eligibility IMMED

Tertiary Eligibility IMMED

Alternate Eligibility

Prim Elig 410(b) Ranking 1

Sec Elig 410(b) Ranking 1

Tert Elig 410(b) Ranking 1

Contribution

Formula Table

Amount Percent 3.000

Forfeiture Override Amount

Employer Forf. by Source

Prior Year's Non-HCE

ADP

Number for ADP Test

ACP

Number for ACP Test

Prior Year's Non-HCE below Statutory Min

ADP

Number for ADP Test

ACP

Number for ACP Test

OK Cancel Delete Help

# ASC – Compliance Enhancements

## ADP/Union Test - Prior Year % storage

The system has a new enhancement for the *ADP - Union Test*. When utilizing employee status code U (*U – Union*) or *Union* indicator on the *Employee ADDRESS* screen to identify union employees in the Plan and want to apply Prior Year testing method, they will indicate in the “*Union Location Code*” field, which location to read the prior NHCE ADP test results.

The image shows two overlapping windows from the ADP/ACP Compliance software. The background window is the 'ADP/ACP Compliance' main screen, and the foreground window is the 'Modify Location' dialog box.

**ADP/ACP Compliance - Union Test Configuration:**

- Standard Test:** Union Test
- Union Location Code:** [Empty field]
- Options:**
  - Projection Test
  - Correction if Test Fails
- Disproportionate Amts Testing:**
  - Deem matched deferral at 6%
  - Disprop. Amts. support page
- Compensation:**
  - ADP: Use Net
  - Incl 'Excl'd'
  - Use 415 override comp
  - Maximum: 285000
- Plan Years Beginning 1997+:**
  - Use Prior Yr NHCE ADP Pct
  - First PYE: Use Calc Pct
  - Calc Current Year NHCE Pts
- Sources for ADP Test:**
  - DEFERRAL
  - EMPLOYER
  - MATCHING
- Plan Options:**
  - Safe Harbor Plan
- Override Total Employees:**
  - ADP: [ ]
  - ACP: [ ]
  - NHCE: [ ]

**Modify Location Dialog Box:**

- Location:**
  - Number: 1
  - Description: UNION PLAN
  - Matching Formula Table: [ ]
  - Matching Formula Avail. Ranking: [ ]
  - Vesting Schedule: [ ]
  - Primary Eligibility: [ ]
  - Secondary Eligibility: [ ]
  - Tertiary Eligibility: [ ]
  - Alternate Eligibility: [ ]
- Contribution:**
  - Formula Table: [ ]
  - Amount: [ ]
  - Percent: [ ]
- Forfeiture Override Amount:**
  - EMPLOYER: [ ]
  - Forf. by Source: [ ]
- Prior Year's Non-HCE:**
  - ADP: 6.20
  - Number for ADP Test: 3
  - ACP: [ ]
  - Number for ACP Test: [ ]
- Prior Year's Non-HCE below Statutory Min:**
  - ADP: [ ]
  - Number for ADP Test: [ ]
  - ACP: [ ]
  - Number for ACP Test: [ ]

Later, when the Plan is *Updated to a New year* the results for the designated Union location will be updated with the prior testing information from the prior ADP plan year test for the new plan year period

# ASC – Compliance Enhancements

## Plan Summary Enhancements

### ADP/ACP Prior Year Testing Method

When a plan uses the prior year testing method for ADP/ACP testing (*Plan Specs – General – Definitions – PLNLIMIT – PLADPNHC and PLACPNHC fields*) the Plan Summary will now print additional line(s) indicating that the prior year testing method was used along with next year's HCE passing ADP/ACP average.

<b><u>ADP/ACP Test</u></b>	
	ADP: Fail
	ACP: Fail
	HCE ADP 9.88%; HCE ACP 3.49%
	NHCE ADP 4.01%; NHCE ACP 0.21%
	ADP Returns \$3,475.00; ACP Returns \$3,925.00; ATMs \$0.00; Earnings \$0.00
	Catchups \$6,000.00
	ADP QNECs \$0.00; ACP QNECs \$0.00
	Prior ADP Testing Method: Next Year's HCE Passing ADP Avg: 6.01%
	Prior ACP Testing Method: Next Year's HCE Passing ACP Avg: 0.42%

# ASC – Compliance Enhancements

## Plan Summary Enhancements

### 416 Top Heavy Determination

With the understanding that Top Heavy testing is typically done on a prospective basis, the Plan Summary will now include additional language indicating that the plan will be top heavy for the next plan year.

### 416 Top Heavy Minimum Calculation

With the understanding that top heavy status is determined based on the Determination Date of the last day of the prior plan year, the Plan Summary will now include additional language indicating the top heavy amount due is based on the prior year top heavy result.

#### **416 Top Heavy Determination**

Test: 0.0000% to key employees  
Plan is not top heavy for the next plan year

#### **416 Top Heavy Minimum Calculation**

Test: Top heavy contribution underpaid by \$5,500.00, which is required due to last year's top heavy status

**Thank you!**  
**We ♥ our**  
**users!**

