Qualified Plan News

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Voya Qualified
Plan Consulting

Mike Smith, QPA, QKA
Carla Ennis, QPA, QKA, APA

Stacia Hastings, QKA

Robert Kaplan, CFP, CPC,
QPA, APA

Susan Belanger

Helpful Web Links

Voya 401(k) InfoCenter

Department of Labor

Department of Labor Compliance and Voluntary Correction Assistance

Taking the Mystery Out of Retirement Planning

Internal Revenue Service

Internal Revenue Service Correcting Plan Errors

2017 Annual Plan Deadlines for Plan Years Ending December 31, 2017

QPN Highlights

Action Required: This Qualified Plan News (QPN) is for information only; no action is required at this time.

- The attached chart provides an explanation of key plan events and the deadline for each for Section 401(a) and 401(k) defined contribution plans with a plan year ending December 31, 2017.
- The chart is intended as a tool to assist employers with monitoring the key annual plan requirements.
- Off-calendar year plans should adjust the deadlines accordingly based on the time frames described in the chart.

There are many important ***requirements*** for defined contribution plans (i.e., Section 401(a) and 401(k) plans) that occur either during the calendar year or during the plan year. Some examples include participant statements, compliance testing and remittance of plan contributions.

The attached chart (although not intended to be exhaustive) includes the key annual events which must occur within a specific deadline for a calendar year plan. The chart is intended to serve as a tool that can be used by employers to monitor compliance over the plan and calendar year.

For off-calendar year plans the deadlines should be determined accordingly based on the time frames described in the chart.

Also see QPN 2016-6 for a chart of annual plan deadlines presented by event.

Editions of Qualified Plan News referenced here and in the attached chart are available on the Voya 401(k) InfoCenter site at: http://foremployers.voya.com/articles/401k-infocenter.

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Deadlines for 12/31/17 Plan Year End Defined Contribution Plans	
Deadline/Event	**Description of Event**
Ongoing	
Remit employee contributions and loan repayments in accordance with the ERISA[1] "earliest date standard."	The ERISA earliest date standard: As soon as administratively possible for the employer to segregate from corporate assets but in **no event later** than 15 business days following the month in which the contribution or loan repayment was deducted. There is a Department of Labor (DOL) safe harbor of 7 business days for plans with less than 100 participants at the beginning of the plan year. See Qualified Plan News (QPN) 2010-1 for more details.
Monitor the compensation limit used to calculate contributions for the 2017 plan year. The 2017 limit is $270,000 ($400,000 for certain government plans).	Employee contributions based on amounts in excess of the limit must be returned and any employer contributions must be forfeited before testing for the plan year is done.
Monitor annual additions limit for the year.	Total contributions cannot exceed the lesser of 100% of compensation or $54,000 for the 2017 limitation year. If the limit is exceeded excess deferrals or after tax contributions are returned and excess employer contributions are forfeited or held in a suspense account, as directed by the plan document.
Annually	
Participant fee disclosure for participant-directed plans subject to ERISA must be furnished at least once in each 14 month period.[2]	Furnish the report of plan-related and investment-related expenses to all eligible employees, beneficiaries of deceased participants and alternate payees pursuant to a Qualified Domestic Relations Order, that have an account balance under the plan. Referred to collectively as "participants". Initial Notice **–** On or before the date the participant is eligible to direct investments for the first time. Notice of Changes to Plan-Related Disclosures - Not less than 30 days or more than 90 days before the effective date of any change (not just a material change) to the plan-related disclosure a notice must be furnished directly to participants. Notice of Changes to Investment-Related Disclosures-The Web site must be updated as soon as reasonably possible, but at least quarterly. Changes to investment-related disclosures are not required to be

[1] Employee Retirement Income Security Act
[2] Where Voya is mailing fee disclosures to participants, the disclosures are mailed annually.

Deadlines for 12/31/17 Plan Year End Defined Contribution Plans	
Deadline/Event	**Description of Event**
	furnished directly to participants, but must be reflected on the required Internet Web site where detailed investment-related information is made available. Quarterly – Participants must receive a statement that includes the dollar amount and description of any plan or individual expenses actually charged to his/her account during the preceding quarter.
Involuntary Distributions/Mandatory Rollover - As soon as practicable but at least once each plan year unless the plan document or procedures provide for more frequent distributions.	Applies to plans that provide for the involuntary distribution of the accounts of terminated participants with a vested account balance of $5,000 or less (plan may choose a lower threshold). Requires mandatory rollover of certain account balances when specific direction is not provided by the participant. Check the plan document for details.
Quarterly	
Participant Benefit Statements no later than 45 days after the end of each quarter.	The statement reports the activity and return within the participant's account (e.g., contributions, distribution, loans, gain, loss, etc.).
January	
Top Heavy Testing should be completed at the beginning of each plan year.	Key employees' assets must not exceed 60% of total plan assets. Top Heavy testing does not apply to Safe Harbor ADP/ACP Plans or to a Qualified Automatic Contribution Arrangement (QACA) if the safe harbor contribution is the only employer contribution made to the plan. The test is performed at the start of the plan year using account balances on the last day of the prior plan year. If failed, the plan is top heavy for the current plan year and an additional employer contribution may be required. Generally, the additional contributions should be made no later than the employer's tax filing date (plus extensions) for the Top Heavy plan year.
March 15th	
ADP/ACP Annual Nondiscrimination Testing – Test must be completed and corrected (if failed) within 12 months after the end of the plan year. However to avoid the 10% excise tax, testing must be completed and any excess amounts must be distributed within 2 ½ months after plan year end.	The amount of contributions made to a plan cannot discriminate in favor of highly compensated employees.

Deadlines for 12/31/17 Plan Year End Defined Contribution Plans	
Deadline/Event	**Description of Event**
For a plan with an *EACA provision that covers all eligible employees* the ADP/ACP test must be completed and corrected (if failed) within 12 months after the end of the plan year. However, to avoid the 10% excise tax testing must be completed and any excess amounts must be distributed within 6 months after plan year end. By June 30th for a calendar year plan.	
April 1st	
First required minimum distribution payment.	April 1st of the calendar year following the later of: (a) the calendar year in which the employee attains age 70 ½, or (b) the calendar year in which the employee retires from the employer[3] (unless otherwise directed by the plan document).
April 15th	
Return of excess elective deferrals (plus related income) for the 2016 plan year.	Limit for 2016 is $18,000 and remains the same for 2017.
July 29th	
Furnish participants with the Summary of Material Modifications (SMM) within 210 days after the end of the 2016 plan year.	For amendments that became effective during the 2016 plan year.
July 31st	
File the Form 5500 Annual Information Return and Form 8955-SSA for the 2016 plan year, due 7 months after plan year end.	The employer may file Form 5558 for a 2 ½ month extension for both forms (e.g., 5500 due 7-31-17 for a plan year ending 12-31-16, but may file a Form 5558 on or before 7-31-17 for an extension to 10-16-17).
September 30th	
Furnish participants with the Summary Annual Report (SAR) for the 2016 plan year within 9 months after the plan year end to which it applies.	Note that plans that file for an extension of the Form 5500 deadline must furnish the SAR within 2 months after the extended deadline which would be 12-16-17 for a calendar year plan.
October 16th	
Extended deadline for filing 2016 Form 5500 Annual Report and/or Form 8955-SSA.	Requires prior filing of the Form 5558 by 7-31-17 to get the 2 ½ month extension.
December 1st	
Furnish annual notices to participants as required based on plan provisions no later than December 1st and no earlier than October 1st.	Furnish these annual notices as needed for the 2018 plan year: • ADP/ACP Safe Harbor

[3] 5% owners initial payment is due by April 1st of the calendar year following the calendar year in which the employee attains age 70 ½ (even if still employed).

Deadlines for 12/31/17 Plan Year End Defined Contribution Plans	
Deadline/Event	**Description of Event**
	• Eligible Automatic Contribution Arrangement (EACA) • Qualified Automatic Contribution Arrangement (QACA) • Automatic Contribution Arrangement (ACA) • Qualified Default Investment Alternative (QDIA) Supplemental notice for Safe Harbor plans that issued a “contingent” notice for the 2017 plan year to communicate whether the safe harbor 3% non-elective contribution will be made for 2017. Initial Safe Harbor ADP/ACP notice to participants no later than the eligibility date and no earlier than 90 days prior to the eligibility date. Or, as soon as practicable after that date and the employee is permitted to elect to defer from all types of compensation that may be deferred under the plan beginning on the date the employee becomes eligible. Initial EACA, QACA, ACA notice - Generally for newly eligible employees, no earlier than 90 days before the employee’s eligibility date, and no later than the employee’s eligibility date or, as soon as practicable, but prior to the pay date of the pay period in which the employee is first eligible. The employee must have reasonable time after receiving the notice to opt out or elect a different deferral percentage. See QPN 2009-4 for more details. Initial QDIA notice - A reasonable time period of at least 30 days before plan eligibility or at least 30 days before the first default investment.[4] (See QPN 2007-16 for more details.)
December 31st	
Use forfeiture account balance as elected in the plan document.	Forfeitures for each plan year should be used by the end of the plan year in which they were forfeited.
Perform coverage testing.	Coverage requirements must be satisfied at least annually as of the last day of the plan year using the annual testing option (as opposed to the daily or quarterly testing options). Failed tests must be corrected within 9 ½ months after plan year end.

[4] Alternatively, on or before eligibility date if participant may make a permissible withdrawal under an EACA.

Deadlines for 12/31/17 Plan Year End
Defined Contribution Plans

Deadline/Event	Description of Event
Pay ongoing required minimum distributions.	Ongoing payments must be distributed by 12/31 of each calendar year.
Adopt employer discretionary plan amendments that became effective during the 2017 plan year.	Some exceptions apply requiring amendments to be adopted before the start of the plan year to which they apply (e.g., to add an ADP/ACP Safe Harbor or QACA provision for the 2018 plan year the amendment must be adopted by 12-31-17).
Complete/correct 2016 ADP/ACP test by last day of the following plan year.	Failed tests corrected after 3/15 incur a 10% excise tax (after 6/30 for EACA plans covering all eligibles).
Tax Filing Date Plus Extensions	
To be deducted on the company tax return for the year to which it applies, these employer contributions must be remitted by this deadline. • Employer match • Safe Harbor plan employer match • Safe Harbor plan annual 3% non-elective • Annual profit sharing allocation	The plan document may call for more frequent employer contributions (e.g., each payroll period or each quarter). *Note: ADP/ACP testing cannot be completed until the match is remitted.* <u>For safe harbor plans</u> –The match on any elective deferrals made during a plan year quarter must be contributed to the plan by the last day of the immediately following plan year quarter.
Employer true-up of match or profit sharing contributions.	A true-up contribution may be needed when the contribution is made based on *annual compensation* but contributed periodically during the plan year. Or, if the plan document provisions include a true-up of employer contributions based on shorter compensation periods (e.g., payroll periods, quarterly, monthly). *Note: ADP/ACP testing cannot be completed until the match is remitted.*
Upon Occurrence of the Event	
Sponsor fee disclosure – Service provider must furnish this disclosure to the plan's fiduciaries reasonably in advance of the date the contract or arrangement is entered into.	Plan sponsor receives from certain service providers a disclosure of the service provider's fees and compensation. <u>Changes to Investment-Related Disclosures</u> – must be furnished to the plan fiduciary not later than annually. <u>Changes to All Other Disclosures</u> – As soon as practicable, but not later than 60 days from the date the service provider knows of the change.
Legislatively required amendments.	Adopted by the employer's tax filing date (plus extension) unless otherwise directed (i.e., if a special remedial amendment period applies).

Deadlines for 12/31/17 Plan Year End Defined Contribution Plans	
Deadline/Event	**Description of Event**
Summary Plan Description (SPD) – furnish to participants.	Ninety days after the participant becomes eligible; every 5 years if the plan is amended; every 10 years if the plan is not amended (unless otherwise directed by the IRS).
Stock Diversification Notice –Furnish to each participant at least 30 days before participant is eligible to diversity.	This is a one-time event; no ongoing annual notice is required. (See QPNs 2007-3, 2007-12, 2010-5.)
Blackout notice – furnish to participants 30 to 60 days before the blackout begins.	A blackout notice is needed if participants are restricted from requesting distributions, loans or investment changes for more than 3 consecutive business days.