401(k) Administration Task List

With Paychex' Unique *Payroll Integration*,
The Following 401(k) Administrative Tasks Are **Eliminated**

➢ Report all salary deferral changes to the 3rd Party Administrator (TPA).

➢ Report all salary deferral changes to Paychex (so the employee's paycheck is accurate).

➢ Every pay period, calculate every employee's salary deferral.

➢ Every pay period, report every employee's salary deferral to TPA.

➢ Every pay period, calculate every employee's company match.

➢ Every pay period, report every employee's company match to TPA.

➢ Every pay period, audit the reports provided by the TPA showing which employees deferred money into the 401(k) and which employees received company contributions.

➢ Every pay period, write a check to TPA for employees' contributions.

➢ Every pay period, report all new employees to TPA, including social security number, date of hire, date of birth, and salary deferral percentage.

➢ Every pay period, report all terminated employees to TPA.

➢ Every pay period, report all changes of employee address to TPA.

➢ Constantly track employees' eligibility to participate in the plan. (Have they worked for the required minimum time to be eligible; worked more than the required minimum number of hours in the past year; reached the minimum age; and/or worked enough hours since returning from a "break in service" (layoff or other time away from the company). {Note: we've seen many plans that are out of compliance because they allowed employees to either enroll too soon, too late, or not at all.}

➢ Complete the paper or online annual census every January listing all employees, addresses, earnings, deferrals, company contributions, birth dates, hire dates, etc. This census must be accurate to the penny, for every employee.

➢ Respond to the TPA's audit of the completeness and accuracy of the census. The numbers often do not match the amounts actually contributed: when they do not you (not the TPA) must audit the data to find and correct all errors so the numbers are precisely correct.

➢ Audit the Form 5500 tax filing for accuracy before sending to IRS.

➢ Correcting payroll mistakes requires correcting 401(k) deferrals.

➢ Correcting 401(k) deferral mistakes requires correcting payroll.

➢ Setup loan repayment deductions from payroll.

➢ Record loan repayments (for up to ten years).

➢ Track loan amortization (for up to ten years).

➢ File Form 1099 with IRS when employees leave company without fully paying back loan.

➢ Send 401(k) distribution paperwork to employees when they leave the company.