

**ANNUAL NOTICES**  
**401(k) or 403(b) Plans**

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**Agenda**

- Types of Notices using DATAIR
  - Locating and Generating a Notice
    - Individually
    - Multi- Plan Operations
- Summary of Annual Notice Requirements
  - Contents and Timing
- Building Notices
  - Safe Harbor Notice
  - Automatic Enrollment Notice

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**Safe Harbor Notices**

- **Annual "Will" Notice**
  - All Document Types with Safe Harbor provisions on Adoption Agreement or Checklist
- **Annual "Maybe" Notice**
  - Volume Submitter IDP
  - Existing Plans without Safe Harbor Provisions
- **Supplemental Notice**
  - Confirming Safe Harbor Non-Elective Contribution
- **Suspension Notice** – "Discontinue" or "Reduce"
  - Safe Harbor Non-Elective Contribution
  - Safe Harbor Matching Contribution

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**Automatic Enrollment Notices**

- ACR – Automatic Contribution Reduction
  - Elected in EGTRRA document
  - Revenue Ruling 2000-8
- EACA – Eligible Automatic Contribution Reduction
  - Elected in 2009 Interim Amendment
  - Final Regs for ACR (see section 1.414(w) -1(3))
  - "Reasonable Period" before the beginning of the Plan Year
  - Permissible Withdrawal Election
- QACA – Qualified Automatic Contribution Reduction
  - Elected in 2009 Interim Amendment
  - QACA without EACA?

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**Completing Notices in DATAIR**

- Location
  - Folder View
  - Print
- Generate and Print Notices
  - Individually
  - Multi-Plan Operations

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**Multi-Plan Operations**

- Expanded
  - All types of Safe Harbor Notices
  - All types of Automatic Enrollment Notices
- Filter – Select Groups of Plans

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### Annual Notice Requirements

- Safe Harbor – Final 401(k) Regs
  - Treas. Regs. 1.401(k)-3(d) and 1.401(m)-3(e)
  - Includes QACA
- Automatic Enrollment –
  - 401(k)-13(e) & Final Regs. Effective February 24, 2009
  - See also Treas. Regs. 1.414(w)
- Contents – Plan Provision
  - Adoption Agreement
  - VS – Checklist
- Timing

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### Annual Notices - Timing 90 – 30 Days Prior to First Day of Plan Year

Situation	Latest Permitted Date for Distribution
SHP with Calendar Year-Plan Year, Annual Notice to all participants	Distribute by December 1
New SHP: Short Plan Year permitted. (must be at least 3 months). Initial Annual Notice.	Distribute by September 30 or October 1 for calendar year plans or with 90 – 30 day window.
Non-Elective SHP: initial Plan Year, initial Annual Notice	Distribute no later than 30 days prior to the last day of the Plan Year.
Newly eligible participants in SHP after the Annual Notice is distributed	Distribute ASAP, before the first pay period that includes the employee's Entry Date

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### Annual Notices - Timing 90 – 30 Days Prior to First Day of Plan Year

ACR Annual Notices	Distribute ASAP with an salary deferral election window that provides employees with an "effective opportunity" to make a deferral election. (Rev. Ruling 2000-8)
ACR Notice for newly eligible participants	Distribute ASAP after date of employment. No later cut-off date for salary deferral elections.
EACA/QACA Annual Notices	Same as 401(k) Safe Harbor
EACA/QACA for newly eligible participants on their Plan Entry Date.	Distribute ASAP after becomes a Covered Employee. No later than the first pay period that includes the employee's Entry Date.

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### Annual Notices – Timing **\*\*Caution\*\***

- Suspension Notice
  - Requires 30-day Notice prior to the Adoption Date or the Effective Date of the Amendment.
- IRS requires
  - "Reasonable Period before the beginning of Plan Year"
  - Facts and Circumstance

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### AUTOMATIC ENROLLMENT

FEATURES	ACR	EACA	QACA
Default Percentage	Any whole percentage	Uniform Percentage	Specified Scheduled Percent
Automatic Annual Increases/Escalator	Permitted	Permitted	Required
Employer Contribution	Permitted	Permitted	Required & Specified
Permissible Withdrawal	N/A	Permitted	N/A
Implemented	Any Time	12-month Plan Year	12-month Plan Year

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### AUTOMATIC ENROLLMENT

FEATURES	ACR	EACA	QACA
ADP/ACP Test	Required	Required	Exempt
6 month extension for Corrective Distributions	N/A	Permitted If All Eligible are Covered Employee	N/A
Compensation	Any 415(c) or 414(s) Definition	Any 415(c) or 414(s) Definition	Must be 414(s) Definition
Covered Employees	All Eligible Employees	Permits Design Flexibility	All Eligible Employees

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**DATAIR**  
 EMPLOYEE BENEFIT SYSTEMS, INC.

## AUTOMATIC ENROLLMENT

Covered Employees All Eligible for Elective Deferrals	ACR	EACA	QACA
Restrictions Permitted			
New Employees	Maybe	Yes	No
Current Employees w/o Affirmative Election	Maybe	Yes	No
Participate with less than Default %	Maybe	Yes	No
Annual expiration of Affirmative Election	N/A	Yes	N/A
Restrict to Specific Groups of Employee	N/A	Yes	N/A

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## Resources

- DS/WIN Release Notes (see DS Help Menu)
- DATAIR Employee Benefit Systems, Inc.
  - Customer Support  
 Email: [support@datair.com](mailto:support@datair.com)  
 Telephone: (630)325-2600
  - DATAIR Discussion Forums <http://www.datair.com/>
- Internal Revenue Service (IRS)
  - Retirement Plans Community:  
<http://www.irs.gov/retirement/index.html>

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