

DB/Win: Coding the system for DB Plans

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1



Agenda

- Source Eligibility
- Proposals and compensation
- Employee Level fields
- Employer Level fields


2



Source Eligibility

- Not the same as Participation
 - Mainly proposal issue
 - Co-ordinate with document
- See Source Eligibility DB Example plan
- Always check Notes and Warnings

3



Source Eligibility

EMPLOYEE CENSUS

December 15, 2009


Source Eligibility DB Example

For the plan year 5/1/2008 through 4/30/2009

Percent - SYC - - Ages - - Dates -

| Key | Owner | PS | FS | Gender | PA | AA | RA | Birth | Hire | Part | Retire | Compensation | Hours Worked | HCE | OEX |
|--|-------|----|----|--------|----|----|----|----------|----------|----------|----------|--------------|--------------|-----|-----|
| 1 Joe Owner -- new participant | | | | | | | | | | | | | | | |
| | Y | 0 | 10 | M | 52 | 52 | 62 | 02/27/56 | 01/01/90 | 05/01/08 | 03/01/18 | \$120,000.00 | * | Y | |
| 2 Susie Spouse -- new participant | | | | | | | | | | | | | | | |
| | | 0 | 12 | F | 51 | 51 | 62 | 10/09/57 | 04/01/08 | 05/01/08 | 11/01/19 | \$24,000.00 | * | | Y |

4



Source Eligibility


SOURCE
Valuation Statement
December 15, 2009

Source Eligibility DB Example

For the plan year 5/1/2008 through 4/30/2009

| | Accrued Benefit | Funding Target | Benefit Increase | Target Normal Cost |
|-----------------------------------|-----------------|----------------|-------------------|--------------------|
| 1 Joe Owner -- new participant | 0.00 | 0 | 1,000.00 | 75,212 |
| 2 Susie Spouse -- new participant | 0.00 | 0 | 40.00 | 3,206 |
| Totals: | \$0.00 | \$0 | \$1,040.00 | \$78,418 |

5



Source Eligibility

SOURCE
NOTES AND WARNINGS
December 15, 2009

Source Eligibility DB Example

For the plan year 5/1/2008 through 4/30/2009

Employee Notes:

(80) **WARNING** 415 % Limit based upon \$833.33 DeMinimus benefit. DeMinimus benefit may not be paid as a Lump Sum.

1 Joe Owner


(115) Top heavy minimum benefit used.

2 Susie Spouse

(146) Participant is not eligible for any source. Check DOP.

2 Susie Spouse

6


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Source Eligibility

PE - Pension System by DATAIR -- PLAN: SOURCE -- Source Eligibility DB Example
File Edit Go Calculations Reports View Help


1 Type/Name
2 Eligibility
3 Vesting
4 Benefit

Participation Requirements for Source: Defined Benefit

| | |
|---|---|
| Entry Date Option [Dual Entry] | Minimum Age [21] |
| Method of Crediting Service [General Method - Actual Hours] | Min Months of Svc [12] |
| | Hours per Month [0] |
| | Hours in a Year of Service [1000] |
| Primary Entry Date (MMDD) [0] | Employed on [05/01/2008] |
| Alternate Entry Date (MMDD) [0] | <input type="checkbox"/> Enter on Next Entry Date <input type="checkbox"/> Apply Minimum Age |
| <input type="checkbox"/> Satisfy Elig Req on Day After Period Not End of Period | |
| <input type="checkbox"/> Do Not Calculate Participation Dates Prior to Current Year | |
| <input type="checkbox"/> Year of Service Credited Upon Completion of Required Hours | |

PE / Win
Sources
Defined Benefit

7


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Source Eligibility

SOURCE

Valuation Statement

Source Eligibility DB Example

For the plan year 5/1/2008 through 4/30/2009

December 15, 2009

| | Accrued Benefit | Funding Target | Benefit Increase | Target Normal Cost |
|-----------------------------------|-----------------|----------------|-------------------|--------------------|
| 1 Joe Owner -- new participant | 0.00 | 0 | 1,000.00 | 75,212 |
| 2 Susie Spouse -- new participant | 0.00 | 0 | 200.00 | 16,031 |
| Totals: | \$0.00 | \$0 | \$1,200.00 | \$91,243 |

8



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Proposals and Compensation

- Compensation in DB/Win works differently than in DOS
- DOS compensation would be assumed to be “backwards” and “forwards”
- DB/Win needs past compensation
- Usually only a problem with Service based formulas

9



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Proposals and Compensation

- See PEPlan_Formn.txt
- Graded Unit formula using 1 year past service
- Only current compensation entered
- No accrued benefit at beginning of year
- End of year valuation

10

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Proposals and Compensation

1 Plan / Sponsor | **2 Provisions** | 3 Assumptions | 4 Misc | 5 DB

PE / Win

Average Compensation

Average Compensation Option
 Highest xx Consecutive Years of Last yy Yr
 Years (xx) in Avg: 3 | Last Years (yy): 99

Include Yrs Svc When Not Participant

Include Current Yr Comp in Beg Yr Val

Exclude Compensation in Year NRA Attained Exclusion Period

Adjust for Less Than Full Year of Comp if EE
 Is on Disability or Leave of Absence
 Severs Employment During the Year
 Fails to Earn a Year of Credited Service
 Fails to Earn a Partial Year of Credited Service
 Is Credited with a Break in Service

Adjustment of Partial Year
 Exclude Partial Year from Average

11

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Proposals and Compensation


1 Census | **2 Compensation** | 3 Sources | 4 Accounts | 5 Testing

PE / Win

Period Hours and Compensation

| Period Beg | Period End | Hrs Wkld | Compensation | ER Comp | Match Comp | Elec Def Comp | 101(k)SH Comp | Gateway Comp |
|------------|------------|----------|--------------|------------|------------|---------------|---------------|--------------|
| 01/01/2009 | 12/31/2009 | | 300,000.00 | 300,000.00 | 300,000.00 | 300,000.00 | 300,000.00 | 300,000.00 |


12


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Proposals and Compensation

| 1 Census | 2 Compensation | 3 Sources | 4 |
|------------------------------|----------------|-----------------|-----------|
| Average Compensation | | | |
| Average Monthly Compensation | | | |
| Current (@ Ret) | 20,416.67 | FAS (@ Ret) | 20,416.67 |
| Projected (@ Ret) | 20,416.67 | FAS 415 (@ Ret) | 20,416.67 |
| 415 (curr) (@ Ret) | 20,416.67 | | |
| 415 (proj) (@ Ret) | 20,416.67 | | |
| Acc Ben (BOY) | 0 | | |
| Acc Ben (EOY) | 20,416.67 | | |
| Acc Ben 415 (BOY) | 0 | | |
| Acc Ben 415 (EOY) | 20,416.67 | | |
| Proj Top Heavy (@ Ret) | 0 | | |
| Top Heavy (BOY) | 0 | | |
| Top Heavy (EOY) | 0 | | |
| Final Avg Comp | 0 | | |


13


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Proposals and Compensation

| 1 Census | 2 Compensation | 3 Sources | 4 Accounts | 5 Testing |
|---|-------------------------------|----------------------------|---------------------|----------------------|
| Source: Defined Benefit | | | | |
| Valuation Date: 12/31/2009 | | | | |
| Current Monthly Ben | Projected Monthly Ben | Covered Comp | Integration Level | |
| 8,125 | 8,125 | 76,200 | 6,350 | |
| Acc Ben BOY | Acc Ben EOY | Acc Ben Increase | Acc Ben Prior Yr | Acc Ben Protected |
| 0 | 1,625 | 1,625 | 0 | 0 |
| At-Risk AB BOY | At-Risk AB EOY | At-Risk AB Increase | Distribution Offset | Prior Yr Dist Offset |
| 0 | 1,625 | 1,625 | 0 | 0 |
| DC Contribution | DC Balance | Proj Benefit Offset | Acc Ben Offset | Acc Ben @ NRD |
| 0 | 0 | 0 | 0 | 0 |
| Years of Service | Prior Yr Svc | Fresh Start YOS | Actuarial Increase | Fresh Start Acc Ben |
| 21 | 20 | 0 | 0 | 0 |
| User Data 1 | | User Data 2 | | |
| 0 | | 0 | | |
| Date Eligible for this Source | Projected Date of Eligibility | Projected Date 100% Vested | Date Vesting Begins | |
| 01/01/2009 | 7 / | 12/31/2014 | 01/01/2022 | |
| Vested Acc Ben | Vested Percent | Prior Year Vested Pct | Vested Service | Prior Yr Vstd Svc |
| 0 | 0 | 0 | 1 | 0 |
| <input type="checkbox"/> Use Prior Year Vesting Schedule <input style="border: none; background: none; padding: 2px 5px;" type="button" value=" << Prev Source "/> <input style="border: none; background: none; padding: 2px 5px;" type="button" value=" Next Source >> "/> | | | | |

14


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Proposals and Compensation

PE - Pension System by DATAIR -- PLAN: FORMN -- Form N - Graded Unit Benefit - Class - [Employees]

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1 Census **2 Compensation** 3 Sources 4 Accounts 5 Testing

Compensation and Hours History

| Plan Yr End | Annual Comp in Plan Year | 415 Comp | Hours Wkd | Anniv of Hire Yr | Hours Worked in Calendar Yr | Not Enough Hours |
|-------------|--------------------------|----------|-----------|------------------|-----------------------------|--------------------------|
| 12/31/2009 | 180,000.00 | | | | | <input type="checkbox"/> |
| 12/31/2007 | | | | | | <input type="checkbox"/> |
| 12/31/2006 | | | | | | <input type="checkbox"/> |
| 12/31/2005 | | | | | | <input type="checkbox"/> |
| 12/31/2004 | | | | | | <input type="checkbox"/> |
| 12/31/2003 | | | | | | <input type="checkbox"/> |
| 12/31/2002 | | | | | | <input type="checkbox"/> |
| 12/31/2001 | | | | | | <input type="checkbox"/> |
| 12/31/2000 | | | | | | <input type="checkbox"/> |
| 12/31/1999 | | | | | | <input type="checkbox"/> |
| 12/31/1998 | | | | | | <input type="checkbox"/> |
| 12/31/1997 | | | | | | <input type="checkbox"/> |
| 12/31/1996 | | | | | | <input type="checkbox"/> |
| 12/31/1995 | | | | | | <input type="checkbox"/> |
| 12/31/1994 | | | | | | <input type="checkbox"/> |

1 - Man. The (new participant)

15


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Proposals and Compensation

- After re-calculation

PE - Pension System by DATAIR -- PLAN: FORMN -- Form N - Graded Unit Benefit - Class - [Employees]

File Edit Go Calculations Reports View Help


1 Census **2 Compensation** 3 Sources 4 Accounts 5 Testing

Average Compensation

| | Average Monthly Compensation | | |
|------------------------|------------------------------|-----------------|-----------|
| Current (@ Ret) | 20,416.67 | FAS (@ Ret) | 20,416.67 |
| Projected (@ Ret) | 20,416.67 | FAS 415 (@ Ret) | 20,416.67 |
| 415 (cur) (@ Ret) | 20,416.67 | | |
| 415 (proj) (@ Ret) | 20,416.67 | | |
| Acc Ben (BDY) | 15,000 | | |
| Acc Ben (EOY) | 17,708.33 | | |
| Acc Ben 415 (BDY) | 15,000 | | |
| Acc Ben 415 (EOY) | 17,708.33 | | |
| Proj Top Heavy (@ Ret) | 0 | | |
| Top Heavy (BDY) | 0 | | |
| Top Heavy (EOY) | 0 | | |
| Final Avg Comp | 15,000 | | |

1 - Man. The (new participant)

16


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Proposals and Compensation

- After re-calculation

PE - Pension System by DATAIR -- PLAN: FORMN -- Form N - Graded Unit Benefit - Class - [Employee Sources]


1 Census 2 Compensation **3 Sources** 4 Accounts 5 Testing

Valuation Date: 12/31/2009

| Source: Defined Benefit | | 4 Accounts | | 5 Testing | |
|--|------------------------------------|--|---------------------------------|-------------------------|------------------|
| Current Monthly Ben | Projected Monthly Ben | Covered Comp | Integration Level | Acc Ben Protected | Acc Ben @ NRD |
| 8,125 | 8,125 | 76,200 | 6,350 | 0 | 0 |
| Acc Ben BOY: 900 | Acc Ben EOY: 1,625 | Acc Ben Prior Yr: 0 | Distribution Offset: 0 | Prior Yr Dist Offset: 0 | Acc Ben @ NRD: 0 |
| At-Risk AB BOY: 900 | At-Risk AB EOY: 1,625 | At-Risk AB Increase: 725 | Proj Benefit Offset: 0 | Prior Yr Dist Offset: 0 | Acc Ben @ NRD: 0 |
| DC Contribution: 0 | DC Balance: 0 | Fresh Start YOS: 0 | Actuarial Increase: 0 | Fresh Start Acc Ben: 0 | |
| Years of Service: 21 | Prior Yr Svc: 20 | Fresh Start YOS: 0 | Actuarial Increase: 0 | Fresh Start Acc Ben: 0 | |
| User Data 1: 0 | User Data 2: 0 | | | | |
| Date Eligible for this Source: 01/01/2009 | Projected Date of Eligibility: 7/7 | Projected Date 100% Vested: 12/31/2014 | Date Vesting Begins: 01/01/2022 | | |
| Vested Acc Ben: 0 | Vested Percent: 0 | Prior Year Vested Pct: 0 | Vested Service: 1 | Prior Yr Vstd Svc: 0 | |
| <input type="checkbox"/> Use Prior Year Vesting Schedule << Prev Source Next Source >> | | | | | |

Employee: Man, The (new participant) PLAN: FORMN, 2009 -- Form N - Graded Unit Benefit - Class


17


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Employee Level Fields

- Sole Proprietor
- FICA
- Class
- Testing
 - Benefitting
 - Other plan

18



Employee Level Fields

PE--Pension System by DATAAIR -- PLAN: SOLE08 -- Sole Prop Defined Benefit Proposal Template

Benefit Formula for Source: **Defined Benefit**

Formula Type: **Graded**

Integration Level Opt: []


Participant's Covered Compensation: []

Covered Comp Table: []

| Lvl | Operator | Open Paren | Dollar Amount | Percent of Comp |
|-----|----------|------------|---------------|-----------------|
| 1 | [] | [] | 0 | 10 |

| Lvl | Order | Class | Div | Loc | From YOS | To YOS | From Age(Svc) | To Age(Svc) | From Comp | To Comp | HCE | NHCE | Key | Non-Key | Operator | Open Paren | Doll Amt | Percent | On Comp | Up To C | |
|-----|-------|-------|-----|-----|----------|--------|---------------|-------------|-----------|---------|-----|------|-----|---------|----------|------------|----------|---------|---------|---------|--|
| 1 | 1 | A | | | 7 | 7 | 7 | 7 | | | | | | | | | | | 10 | | |
| 2 | 2 | B | | | | | | | | | | | | | | | | | 3 | | |

19



Employee Level Fields

PE--Pension System by DATAAIR -- PLAN: SOLE08 -- Sole Prop Defined Benefit Proposal Template - [Employees]

1 Census

Last Name: [] First Name: [] MI: [] Suffix: [] Salutation: [] Social Security Number: []

Gender: [] Marital Status: [] Pct Ownership 50% of FICA: **100** Other FICA Wages: **5,299.75** Employee Number: []

Birth: [] Date of: [] Age: [] HCE 5% Owner: [] Owner: [] Over 5%: []

Employment: [] 415 Comp: [] 414(a) Comp: [] Officer: [] Ignore: []


Participation: [] Job Class: **A** Nonresident Alien: []

Retirement: [] Division: [] Member Excluded Class: []

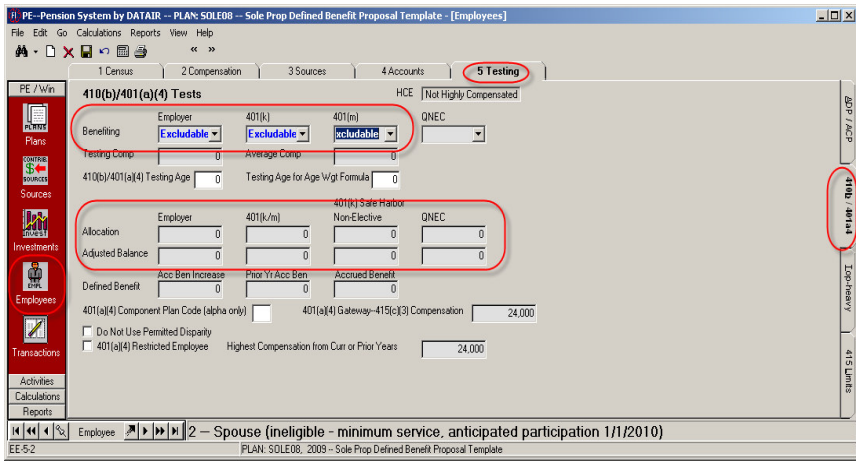
Early Ret: [] Location: [] QDRO - Alternate Payee: [] Assets in Suspense: []

| YTD His Wkld | YTD Comp | YTD 415 Comp | Other 401(k) | Other 403(b) | Other 457 | Other 125 | Other SEP | 1320 Fringe |
|--------------|-----------|--------------|--------------|--------------|-----------|-----------|-----------|-------------|
| 200000.00 | 200000.00 | 200000.00 | | | | | | 0.00 |


20


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Employee Level Fields



21


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Employer Level

- Plan Testing Assumptions
 - Testing Mortality tables
 - Permissively Aggregated Plans
 - Gateway
- Compensation
 - Retrospective / Prospective
 - Service / Participation
 - Adjustments

22



Employer Level

PE - Pension System by DATAIR -- PLAN: SOLE08 -- Sole Prop Defined Benefit Proposal Template

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1 Plan / Sponsor 2 Provisions 3 Assumptions 4 Misc 5 DB

410(b) / 401(a)(4) Assumptions

Pre-Ret Int Rate: 8.4 Post-Ret Int Rate: 8.5 Testing Age-Use Instead of MPA: 0

Mortality Table: **U84 - 1984 Unisex** must be a Standard Table

Normal Form of Payment for Most Valuable Rates: Joint and Survivor

Percent to Survivor: 50


Do Not Use Imputed Permitted Disparity in this Plan
 Use Avg Comp for Equiv Ben Accrual Rate (Annual Method)
 Passed Gateway Using Broadly Available Allocation Rates
 Do Not Use Accrued-to-Date Method
 Test Permissively Aggregated Plans as a Single Plan

Use SSRA (not NRA) as Testing Age
 Use Catch-up from OE ADP Test in 410(b)
 Age-Based Allocation
 Passed Gateway - Broadly Available Separate Plans

Advanced

23

PL-33



Compensation

PE - Pension System by DATAIR -- PLAN: SOLE08 -- Sole Prop Defined Benefit Proposal Template

File Edit Go Calculations Reports View Help

1 Plan / Sponsor 2 Provisions

Average Compensation

Average Compensation Option: Highest xx Consecutive Years of Last yy Yr

Years (xx) in Avg: 3 Last Years (yy): 99

Include Yrs Svc When Not Participant
 Include Current Yr Comp in Beg Yr Val

Exclude Compensation in Year NRA Attach
 Exclusion Period: 0
 Exclusion Date: //

Exclude Compensation in Year of Plan Termination
 Use Annual Avg Comp (not monthly)
 Limit 401(f) Final Avg Comp to Avg Comp

Adjust for Less Than Full Year of Comp if EE
 Is on Disability or Leave of Absence
 Severs Employment During the Year
 Fails to Earn a Year of Credited Service
 Fails to Earn a Partial Year of Credited Service
 Is Credited with a Break in Service

Check for Prospective Compensation

24

PL-23

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25