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## Compensation in DC/Win

Presented by:  
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## Compensation in DC/Win

- What we will cover:
  - Compensation Definitions
  - Where Compensation is found in DC/Win
  - Compensation Requests from DC/Win
  - Utilizing the Compensation Information Received
  - Making changes and corrections in the middle of the process (or what takes precedence over what)

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## Compensation in DC/Win

- Compensation Definitions
  - Plan document rules for sources
    - Each Source can have a different definition of compensation
  - Defined at the Plan Level
    - On Plan|Provisions|Comp screen
    - Works with data on Employee|Compensation|Payroll

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### Compensation in DC/Win

- Where Compensation can be entered
  - Employee|Census|Employee
  - Employee|Census|Edit
  - Employee|Compensation|Period
  - Employee|Compensation|Payroll
  - Employee|Compensation|Comp.Hist.

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### Compensation in DC/Win

- Where compensation can be overwritten  
**\*\*With Caution\*\***
  - Employee|Sources|Detail
  - Employee|Sources|Browse
  - Employee|Testing|ADP/ACP
  - Employee|Testing|401a4/410b

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### Compensation in DC/Win

- Compensation Requests from DC/Win
  - Anniversary Notification Form
    - Small Plans or no computer capability
  - Anniversary Notification Export
    - Small or large plans with computer capability
  - Edit Screen Export
    - Small or large plans
    - Especially useful when compensation definitions vary for the different sources

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**Compensation in DC/Win**

- Client Returns Paper Anniversary Notification
  - Do Manual Entry on Employee|Census|Employee screen
  - Use the Edit Grid to type in the data
  - Example:

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**Compensation in DC/Win**

- Manual Input Example Plan
  - 415(c)(3) Compensation Definition for all Sources
  - Participation Compensation Only
  - Manual Input on Employee|Census|Employee
  - Using the Edit Grid
    - Customizing
      - Adding New Employees
  - Modifying the data after input (Before and after calculations)

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**Compensation in DC/Win**

- Client returns Anniversary Notification Spreadsheet
  - Use Import Function to import data
  - If changes needed:
    - Undo original import and then import correct data
    - If minimal number of changes, make changes on the Employee|Compensation|Payroll screen (Payroll Rules)
    - Putting Override on Employee|Source|Detail screen

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**Compensation in DC/Win**

- Anniversary Notification Import Example Plan
  - Annual
  - Participation compensation definition same for all sources
  - Making Changes
    - Undo original import and then import correct data
    - If minimal number of changes, make changes on the Employee|Compensation|Payroll screen (Payroll Rules)
    - Putting Override on Employee|Source|Detail screen

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**Compensation in DC/Win**

- Client Returns Edit Grid Export file
  - Using Data Import Assistant to create generic .dia file
  - Making changes after import, but before calculations
  - Making changes after import and calculations
  - Overrides

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**Compensation in DC/Win**

- Data Import Sample Plan
  - Quarterly plan
  - Different Compensation Definitions for Sources
  - Participation Compensation for some sources
  - Telling the system to use Payroll Deferrals
  - Changes and Overrides

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**Compensation in DC/Win**

- Testing Compensation
  - Defined in document?
  - ADP/ACP
  - 401(a)(4)
    - Average Compensation for 401(a)4
  - 415 Compensation

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**Compensation in DC/Win**

Don't forget to complete the survey!

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**Compensation in DC/Win**

Thank you for attending!!

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## Plan Entry Compensation for Annual Payroll Periods

There are two methods that can be used to enter Plan Entry Compensation for plans that run annual payroll periods. Both methods are discussed. Please use the one that best fits your office.

**Method 1:** Using payroll dates that match the compensation prior to and after plan entry.

Example Plan Year ending 12/31. Participant enters the plan as of April 1.

Compensation is Jan. 1 thru March 31 \$25,000 and Apr. 1 thru Dec. 31 comp \$60,000

Total 415 compensation is \$85,000

### Plan | Provisions | Compensation

Select the Compensation Type that is using Plan Entry Compensation. Check the “Recognize Compensation from Plan Entry Date as a Participant” Repeat for each source that is using plan entry compensation.

1 Plan / Sponsor | 2 Provisions | 3 Assumptions

#### Compensation

Compensation Type: Non-Elective

Compensation Options

Computation Period: Plan Year | Period Begins: 01/01/2006

Recognize Compensation from Entry Date as a Participant

Exclude from Compensation

<input type="checkbox"/> Overtime	<input type="checkbox"/> 402(e) (401(k) deferrals)
<input type="checkbox"/> Commissions	<input type="checkbox"/> 403(b)
<input type="checkbox"/> Discretionary Bonuses	<input type="checkbox"/> 457(b)
<input type="checkbox"/> Bonuses	<input type="checkbox"/> 402(h)(1)(B) (SEP deferrals)
<input type="checkbox"/> Taxable Employee Benefits	<input type="checkbox"/> 125 (Cafeteria Plan deferrals)
<input type="checkbox"/> Other Compensation	<input type="checkbox"/> 132(f)(4) (Transportation fringe)

Comp. in Excess of: 0

Buttons: Prev, Next

Vertical sidebar: Eligibility, Compensation, Limits, Vesting

### Employee | Compensation | Payroll

Use “Add New Row” to create the period prior to plan entry and the period after plan entry. Enter wages for each period. If importing the spreadsheet should contain both sets of dates with the appropriate compensation.

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

#### Payroll

Period Beg	Period End	Date Paid	Hrs Wk'd	Base Pay	Overtime	Commissions	Bonus	Discr Bont
			0	0.00	0.00	0.00	0.00	0.00

Buttons: Add New Row, Delete Row

Options: Show All Yrs, Show Current Yr

Vertical sidebar: Period, Payroll

Period Beg	Period End	Date Paid	Hrs Wkld	Base Pay	Overtime	Commissions	Bonus	Discr Bonu
01/01/2006	03/31/2006			25,000.00				
04/01/2006	12/31/2006			60,000.00				
Total			0	85,000.00	0.00	0.00	0.00	0.00

After Calculations your Employee | Compensation | Payroll screen will show a row for the full year that contains blank compensation.

Period Beg	Period End	Date Paid	Hrs Wkld	Base Pay	Overtime	Commissions	Bonus	Discr Bonu
01/01/2006	12/31/2006	12/31/2006						
01/01/2006	03/31/2006			25,000.00				
04/01/2006	12/31/2006			60,000.00				
Total			0	85,000.00	0.00	0.00	0.00	0.00

**Method 2:** Using “Other” comp field for compensation prior to plan entry.

Example Plan Year ending 12/31. Participant enters the plan as of April 1. Compensation is Jan. 1 thru March 31 \$25,000 and Apr. 1 thru Dec. 31 comp \$60,000 Total 415 compensation is \$85,000

### Employee | Compensation | Payroll

Enter wages from DOP to plan year end in Base Pay. Enter wages prior to DOP in Other Comp. If importing the spreadsheet should contain Base Pay and Other Comp. in separate columns.

Period Beg	Period End	Date Paid	Hrs Wkld	Base Pay	Overtime	Commissions	Bonus	Discr Bonus	Taxble Benfits	Other Comp
01/01/2006	12/31/2006	12/31/2006		60,000.00						25,000.00
Total			0	60,000.00	0.00	0.00	0.00	0.00	0.00	25,000.00

### Plan | Provisions | Compensation

Select the Compensation Type that is using Plan Entry Compensation. Check the Other Compensation box for excluding the “other compensation” or the prior to plan entry compensation. Repeat for each source that is using plan entry compensation.

1 Plan / Sponsor | 2 Provisions | 3 Assumptions

**Compensation**

Compensation Type: **Non-Elective** (circled)

Prev Next

Compensation Options

Computation Period: Plan Year | Period Begins: 01/01/2006

Recognize Compensation from Entry Date as a Participant

Exclude from Compensation

Overtime |  402(e) (401(k) deferrals)

Commissions |  403(b)

Discretionary Bonuses |  457(b)

Bonuses |  402(h)(1)(B) (SEP deferrals)

Taxable Employee Benefits |  125 (Cafeteria Plan deferrals)

**Other Compensation** (circled) |  132(f)(4) (Transportation fringe)

Comp. in Excess of: 0

Eligibility | Compensation | Limits | Vesting

### Employee | Compensation | Period

After calculating plan, the sources that use plan entry compensation will use the \$60,000 for allocation purposes. 415 compensation will be the entire \$85,000.

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

**Period Hours and Compensation**

Period Beg	Period End	Hrs Wrkd	Compensation	ER Comp	Match Comp	Elec Def Comp	Gateway Comp	Period
01/01/2006	12/31/2006		85,000.00	60,000.00	60,000.00	60,000.00	85,000.00	

### Employee | Testing | 401a4/410b

If you are using Plan Entry Compensation for your Gateway testing, you will also need to code the Plan Entry Compensation.

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

**410(b)/401(a)(4) Tests**

HCE: Not Highly Compensated

Benefiting: Employer: Yes | 401(k): Yes | 401(m): Yes | QNEC: [ ]

Testing Comp.: 85000 | Average Comp.: 85000

Allocation: Employer: 34000 | 401(k/m): 0 | 401(k) Safe Harbor Non-Elective: 0 | QNEC: 0

Adjusted Balance: 34000 | 0 | 0 | 0

401(a)(4) Component Plan Code (alpha only): [ ]

**401(a)(4) Gateway--415(c)(3) Compensation: 60000** (circled)

Do Not Use Permitted Disparity

ADP / ACP | 401a4 / 410b | Top Heavy