PPA Defined Contribution Plan Documents

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PPA Defined Contribution Plans

Recorded Webinar Suggestions:

- Questions?
  Call 630-325-2600 or
  e-mail: Support@datair.com

- Location for handouts?
  Same as registration: www.datair.com/training.htm
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- Documents to be offered under PPA
  - 401(k) – All current types
    - Prototype Long Form Standardized and Non-Std
    - Prototype Short Form Standardized and Non-Std
    - Volume Submitter Adoption Agreement Format
    - Volume Submitter Individually Designed Format
  - Profit Sharing
    - Prototype Long Form Standardized and Non-Std
    - Prototype Short Form Non-Standardized
    - Volume Submitter Adoption Agreement Format
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- Documents Available under PPA (Cont’)
  - Money Purchase Pension
    - Prototype Long Form Standardized and Non-Std
    - Prototype Short Form Non-Standardized
    - Volume Submitter Adoption Agreement Format

- Documents no longer available under PPA
  - Target Benefit Plan
  - Prototype Standardized Short Form for MPP and P/S
  - Volume Submitter IDP for MPP
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What’s included in the new PPA documents:

- 2007 Interim Amendment
- 2009 Interim Amendment
- EACA and QACA Amendment
- In-Plan Roth Rollover Amendment
- Paid Time Off Contributions Amendment
- Several Core Amendments
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New Format:
- Options that are similar have been consolidated into one place.
- Volume Submitter Adoption Agreement document includes all options that appear on the Volume Submitter IDP document
- Implemented a Grid format where appropriate
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New Format:

- Benefits of the Grid format
  - Groups similar provisions together under one grid
  - Makes document easier to use
  - Allows for clear and consistent selections
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For example, Hours of Service for Eligibility, Vesting Service, and Credited Service are grouped together:

<table>
<thead>
<tr>
<th>A5. Hour of Service</th>
<th>Service for Eligibility Purposes</th>
<th>Vesting Service</th>
<th>Credited Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Service is based on actual hours and following equivalency will be used when records of hours are not maintained: (Also select one of a1 through a4.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.1. Days Worked - An Employee will be credited with 10 Hours of Service if he is credited with at least 1 Hour of Service during the day.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.2. Weeks Worked - An Employee will be credited with 45 Hours of Service if he is credited with at least 1 Hour of Service during the week.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.3. Semi-Monthly or Two-Week (Bi-weekly) Payroll Period - An Employee will be credited with 95 Hours of Service if he is credited with at least 1 Hour of Service during the payroll period.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a.4. Months Worked - An Employee will be credited with 190 Hours of Service if he is credited with at least 1 Hour of Service during the month.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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Another example of the grid format is the Compensation definitions for plan compensation and Sections 415/416 under one grid
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Other Changes:

- Prototype documents are no longer limited to a maximum number of allocation rate groups for cross-tested plans.
- Options for EACA and QACA have been added.
- Paid Time Off Contribution options have been added.
- Modification of Fail Safe options.
- Licensee’s information listed on signature page if not a Word-for-Word Adopter.
- Requirement of the Middleman Certificate.
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Middleman Certificate:

- New requirement per Revenue Procedure 2011-49
- Certifies that licensees have provided all interim and core amendments to their clients
- All licensees who have DATAIR as the document sponsor must sign the Middleman Certification and return to DATAIR
- Signed certification must be returned for licensees to continue to use DATAIR’s pre-approved plan documents
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PPA Restatement:

- All Defined Contributions Plans must be restated to a PPA document between May 1, 2014 and April 30, 2016
- Terminated Plans:
  - Must be up to date with all current regulations prior to termination
  - If terminated prior to April 30, 2016, do not have to restate as long as all assets have been or will be distributed within 12 months of the termination date.
  - Important to monitor plans with termination date close to April 30, 2016
  - If all assets will not be distributed within 12 months, will need to restate prior to April 30, 2016
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Restatement Procedures:

- Good time for making changes to current document options
  - Review current documents with clients
- Create and review new PPA document
- Review any policies for any needed changes
  - Loan Policy, Plan Expense Policy
- Provide client with plan documents for signature
  - PPA Adoption Agreement, Basic Plan Document, Trust Agreement
  - Board Resolution, SPD
  - Copy of Opinion/Advisory Letter
  - Any revised policies
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Individual Determination Letters:

- Only allowed for pre-approved plans if modifications have been made to the specimen document
- Modifications to prototype documents must use Form 5300
- Limited modifications to volume submitter documents may be submitted on Form 5307
- Extensive modifications to volume submitter documents must be submitted on Form 5300
- Remedial Amendment Period for individual determination letters will begin May 1, 2014
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Resources:

- DS/WIN Release Notes
- DS/WIN Help Menu – Contents/Activities
- DATAIR Customer Support
- IRS.gov and other reference material
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Resources – Release Notes, Help Menu, and IRS Opinion Letters
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Help Menu has changed and been updated for PPA documents
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DATAIR Employee Benefit Systems, Inc.

- Customer Support:
  Email: Support@datair.com
  Telephone: (630) 325-2600
- DATAIR Discussion Forum:
  http://www.datair.com/
Thank you for viewing our Introduction to the PPA Defined Contribution Documents recorded webinar!