Document System Version 1.42c
Update Release Notes

DS 1.42c DS Version 1.42.0300 November 8, 2024

We are pleased to announce version 1.42c of the DATAIR Document System is available for download. Many changes and enhancements have been added to this update. Highlights are listed below.

This update will require a database update.

Retirement Documents Highlights

- NEW! 2024 SECURE Act Checklist added to Default Plan options and Multi-Plan Operations
- NEW! Annual COLA Limits for 2025 are in this release. See page 5 of these release notes for a full limits list and a printable page
- Various updates and revisions

Plan Documents

Post PPA Defined Benefit / Cash Balance Plan

- 2024 Termination Amendment has been corrected to keep the check boxes selected under TA6 when printed. They had been previously showing blank.

Post PPA 401(k)/Money Purchase/Profit Sharing

- Post PPA 401(k) Adoption Agreement was corrected to keep the selection of G1(a) when saved. The selection was being unchecked after the system was saved and closed while the print copy was keeping the selection.
- Safe Harbor Election Amendment edit check fixed to not require a selection under SH3 when SH2.a Exclude Classes of Employees is selected.
- Safe Harbor Notice has had language added or revised when the Safe Harbor Non-Elective Contribution is designated as zero under option 6.b for the questions *What is my Employer's safe harbor contribution?, When will I be eligible for my Employer's safe harbor contribution?*, and *How is the safe harbor contribution determined?*
- Post PPA 401(k) Adoption Agreement option F12.e ADP Safe Harbor Non-Elective Contribution validation changed to allow zero to be entered.

  No election is required to preserve the employer's ability to amend to add a safe harbor non-elective contribution retroactively to the start of the plan year. This change was made to enable a safe harbor notice to be generated to describe the plan's matching contribution. If that notice is distributed and the plan is later retroactively amended to add the safe harbor non-elective contribution, that matching contribution can be considered an ACP Safe Harbor Matching Contribution, assuming it otherwise satisfies the ACP Safe Harbor Matching Contribution limits.

For the Maybe Safe Harbor Notice to have the correct wording and the appropriate provisions included, the adoption agreement should note that it will include safe harbor provisions but set the ADP Safe Harbor Non-elective Contribution percentage as 0% as to not create a requirement to contribute 3%. You will also need to enter 0% on the Safe Harbor Notice screen to create the notice. The notice will then state that the plan may adopt an ADP Safe Harbor Non-elective Contribution and if this contribution is made then the matching contribution (or a portion thereof) will be reclassified as an ACP Safe Harbor Matching Contribution.

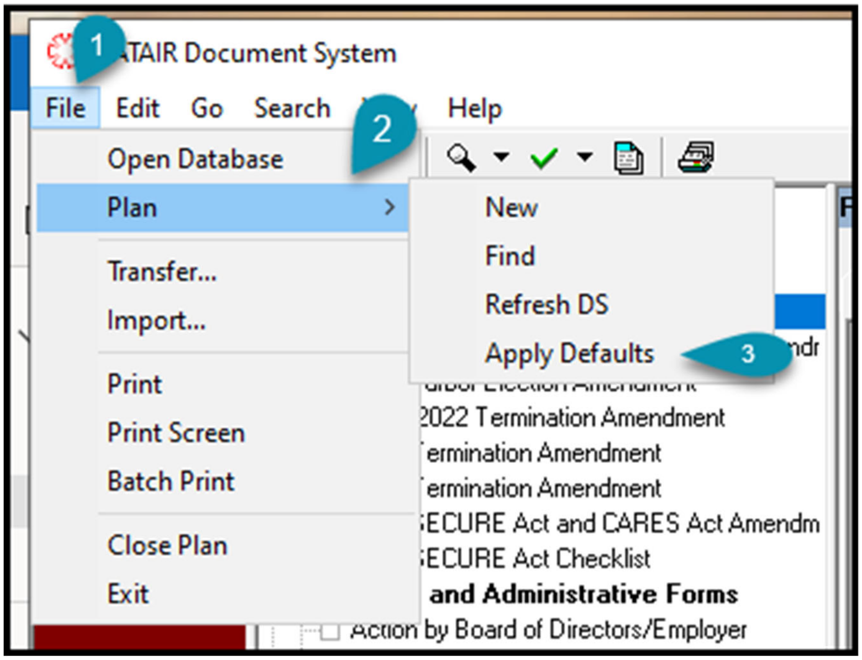
The Safe Harbor Non-Elective Contribution is retroactively adopted via an amendment. If the amendment is adopted no later than 30 days from the end of the plan year, the Safe Harbor Non-Elective Contribution must be at least 3% and if it is adopted after that date but before the end of the subsequent plan year, the Safe Harbor Non-Elective Contribution must be at least 4%. Note that the Maybe Safe Harbor Non-Elective Amendment is only valid for one plan year (i.e. the plan year to which it applies). Any plan that could possibly become a Safe Harbor Non-Elective provisions should design the plan as a safe harbor plan with a Safe Harbor Non-Elective Contribution of 0%. This way all of the distribution provisions that may apply will be included in the plan on a contingent basis.

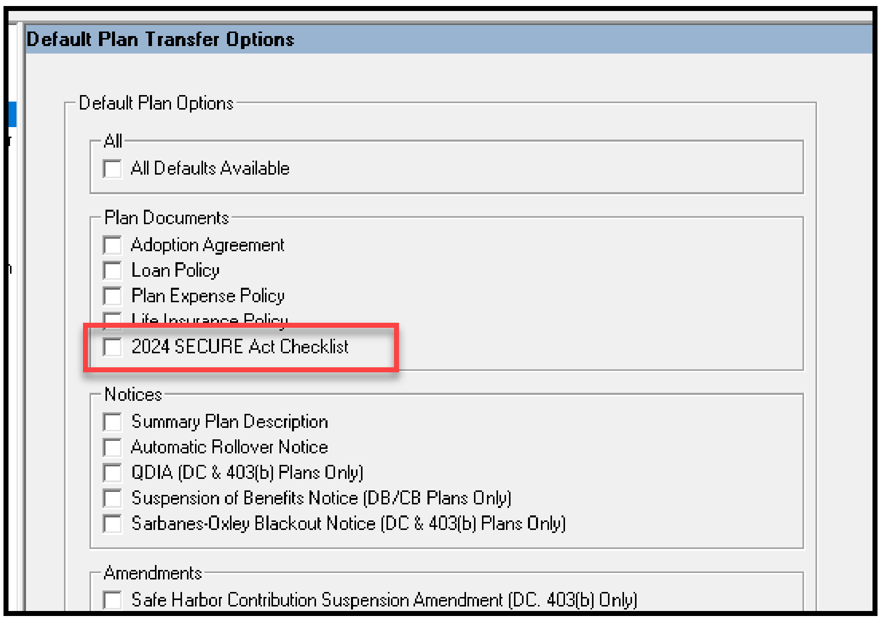
- Safe Harbor Notice added new language if *Yes* is selected for distributions for expenses related to the birth or adoption of a child under the question *When can I take my contributions out of the Plan?*
- New questions have been added to the Safe harbor Notice if certain provisions are selected in the 2024 Secure Act Checklist:
  - *Will my student loan payments be matched?* This question will be added to the notice if "Yes" is selected under the option 9.a.2 Qualified Student Loan Payment Matching Contribution on the checklist.
  - *Can I elect to treat employer contributions as Roth amounts?* will be added to the notice if "Yes" is selected under option 18.b Designated ROTH Contributions on the checklist.
  - *What are the special rules for military spouses?* will be added to the notice if "Yes" is selected under option 21.b Military Spouse Benefits on the checklist.
- QDIA Notice language has been enhanced and modified for sections referring to participants who direct the investments for all accounts.
- 2024 Secure Act Checklist has been updated for the new effective date of required Roth catch-up contributions for participant who earn more than $145,000 changing it from January 1, 2025 to January 1, 2026 and notes have been added to items 9, 13, 14, 18, 20, and 21 to indicate that the effective date entered can be no earlier than allowable for each specific item.

Multi-Plan Operations

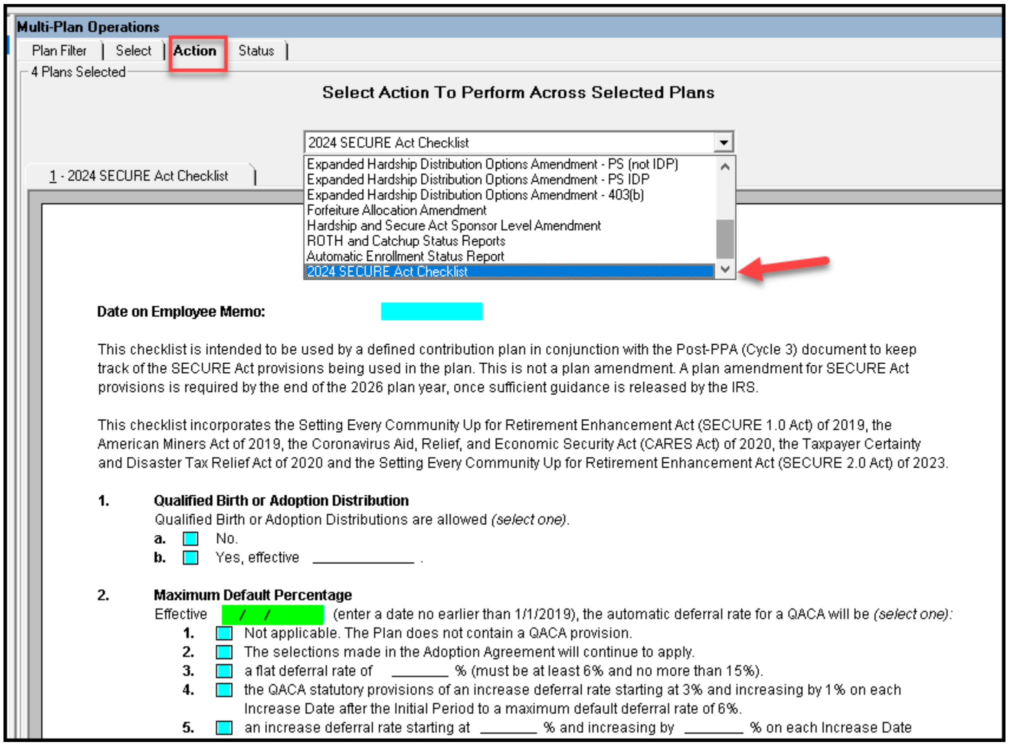
Global

- 2024 SECURE Act Checklist has been added as an option in the "Default Plan Transfer Options" to be available for applying defaults from a default plan. This option can be individually applied to plans when applying defaults if the checklist has been completed in your default plan. To have the 2024 SECURE Act Checklist completed using a default plan, click on File | Plan | Apply Defaults, then the Default Plan Transfer Options list will appear. Check the box for 2024 SECURE Act Checklist to apply only the checklist list to your plan. This is a good option if you set up all your plans the same.





The checklist was also added to Multi-Plan Operations. This will work like the Hardship amendment does in Multi-Plan Operations. The 2024 SECURE Act Checklist can be selected from the list of actions. The checklist will then pop up and it can be completed within Multi-Plan operations and then applied to the plans you have selected.



Cafeteria Plan Documents

Summary Plan Descriptions

- Wrap Summary Plan Description – Clarified the funding method of benefits.
- Plan Documents have been updated for HSA 2025 plan year limits.
- Plan Documents have been updated for the Maximum Health FSA Salary Reductions and Maximum Carryover Health FSA 2025 plan year limits.
- Plan Documents have been updated for the Qualified Small Employer HRA 2025 plan year limits.
- Plan Documents have been updated for Transportation 2025 plan year limits.

ANNUAL LIMITS UPDATE 2025

Qualified Plan Limits	2023	2024	2025
402(g) for 401(k) and 403(b) Plans	$ 22,500	$ 23,000	$ 23,500
401(k) and 403(b) Age 50 Catch-up	$ 7,500	$ 7,500	$ 7,500
401(k) and 403(b) Age 60, 61, 62 or 63 Catch-up	– –	– –	$ 11,250
Simple 401(k) – IRC 408(p)(2)(E)	$ 15,500	$ 16,000	$ 16,500
Simple Age 50 Catch-up	$ 3,500	$ 3,500	$ 3,500
Simple Age 60, 61, 62 or 63 Catch-up	– –	– –	$ 5,250
457(e)(15) Limit	$ 22,500	$ 23,000	$ 23,500
Highly Compensated Employee - 414(q)(1)(B)	$ 150,000	$ 155,000	$ 160,000
Key Employee Compensation IRC 416(i)(1)	$ 215,000	$ 220,000	$ 230,000
Catch-up as Roth – 414(v)(7)	– –	$ 145,000	$ 145,000
Annual Compensation Limit – 401(a)(17)	$ 330,000	$ 345,000	$ 350,000
Taxable Wage Base (TWB)	$ 160,200	$ 168,600	$ 176,100
DC Plan Annual Addition Limit – 415(c)(1)(A)	$ 66,000	$ 69,000	$ 70,000
DB Plan Annual Benefit Limit - 415(b)(1)(A)	$ 265,000	$ 275,000	$ 280,000
ASC 715 Unrounded Limits	**2023**	**2024**	**2025**
Annual Compensation Limit Unrounded - 401(a)(17)	$ 333,500	$ 345,220	$ 354,260
DB Dollar Limit Unrounded - 415(b)(1)(A)	$ 266,800	$ 276,176	$ 283,408
PBGC Premium Rates	**2023**	**2024**	**2025**
PBGC Flat Rate-Single Employer	$ 96	$ 101	$ 106
PBGC Flat Rate-Multiemployer	$ 35	$ 37	$ 39
PBGC Variable Rate	$ 52	$ 52	$ 52
PBGC Variable Cap	$ 652	$ 686	$ 717
QBI 199A	**2022**	**2023**	**2024**
High Threshold for Married	$ 440,100	$ 464,200	$ 483,900
High Threshold for Single	$ 220,050	$ 232,100	$ 241,950
Low Threshold for Married	$ 340,100	$ 364,200	$ 383,900
Low Threshold for Single	$ 170,050	$ 182,100	$ 191,950
Social Security Bend Points	**2023**	**2024**	**2025**
Social Security Bend Point 1	$ 1,115	$ 1,174	$ 1,226
Social Security Bend Point 2	$ 6,721	$ 7,078	$ 7,391
Cost of Living Adjustment (COLA)	8.7	3.2	2.5
Social Security Average Wage Index	**2021**	**2022**	**2023**
	$ 60,575.07	$ 63,795.13	$ 66,621.80

EMPLOYEE BENEFIT SYSTEMS, INC.

Serving Pension & Benefits Professionals since 1967

Document System Version 1.42.b
Update Release Notes

DS 1.42b   DS Version 1.42.0200   August 16, 2024

We are pleased to announce version 1.41b of the DATAIR Document System is available for download. Many changes and enhancements have been added to this update. Highlights are listed below. This update may require a database update.

Retirement Documents Highlights

- NEW – 403b 2024 Termination Amendment
- NEW – 2024 SECURE Act Checklist for DB and CB
- Various updates and revisions

Plan Documents

Post PPA Defined Benefit / Cash Balance Plan

- *NEW* 2024 SECURE Act Checklist has been created to be used by a defined benefit or cash balance plan in conjunction with the Post PPA (Cycle 3) document to keep track of the SECURE Act provisions being used by the plan. This is not a plan amendment. A plan amendment for SECURE Act provisions is not required until the end of the plan year beginning on or after January 1, 2026, once sufficient guidance is released by the IRS.
- Validation message - removed error message that H5 – Life Insurance Limits has to be completed if a selection is made under H3 – Life Insurance Authorization. It is not mandatory that limits have to be selected with H3.
- DB SPD under the question *What are my payment options?* now includes missing information in the third paragraph starting with *If you are married at the time…* based on selections made in the adoption agreement
- DB SPD under the question *What is my plan compensation?* added the dollar sign in front of 345,000 for 2024 in the third paragraph
- Cash Balance SPD changed formatting to keep the question from being on one page the answer on another page due to page breaks
- Cash Balance Base Plan Document changed formatting to eliminate a blank page between the Table of Contents and introduction page
- Defined Benefit validations have been changed to allow all options under F2 Postponed Retirement Benefits to be selected

Post PPA 401(k)/Money Purchase/Profit Sharing

- SPD for 401K corrected limits listed under How can I set up a "Deemed IRA Account"? when Deemed IRAs are permitted in the plan. Changed the reference of $8,000 for participants under age 50 to the correct limit of $7,000.

- Safe Harbor Removal/Reduction Notice printing format has been fixed so that the Removal/Reduction notice prints independently when selected on the notice options screen instead of being attached to the annual notice. These are two different types of notices and should print independently based on selections made on the options screen.
- Applying defaults and not selecting to "Replace All", corrected the issue with the system allowing conflicting responses such as match permitted and match not permitted based on the default plan being used. Both selections would not be allowed when manually entering the plan provisions. The validation does not pick this up.
- DC Termination Amendment corrected some formatting issues

403(b) Version 3

- 2024 Termination Amendment has been added. This is a good faith amendment that will amend the Plan for updates needed under SECURE 1.0, CARES Act of 2020, SECURE 2.0, and various other acts.

Multi-Plan Operations

- DB SPD will now print if selected
- Added the Company telephone number to the Plan Listing report

Forms

- Beneficiary Designation Form – add options for Per Stirpes and Per Capita under each section

Cafeteria Plan Documents

Cafeteria Plan Document – Issues Addressed:

- Wrap Plan Checklist – Fixed options that were not available under Benefits section

Document System Version 1.42a
Update Release Notes

DS 1.42a DS Version 1.42.0100 May 2, 2024

We are pleased to announce version 1.42a of the DATAIR Document System is available for download. Many changes and enhancements have been added to this update. Highlights are listed below. This update may require a database update.

Retirement Documents Highlights

- NEW - Defined Benefit & Cash Balance Sponsor Level Amendment for MEPs
- NEW - Multi Plan Operations Automatic Enrollment Status Report
- NEW – 2024 DC, DB, and CB Termination Amendments
- NEW – 2024 SECURE Act Checklist
- Various updates and revisions.

Plan Documents

Post PPA Defined Benefit / Cash Balance Plan

- *New* Sponsor Level Amendment for MEPs required for all Defined Benefit and Cash Balance Plans.

  This is a good faith amendment adopted by DATAIR on behalf of all adopting employers amending the rules determining whether ownership by family members is attributed to other family members for purposes of considering whether two or more entities are considered to have common ownership through a controlled group or affiliated service group.

  In plans with one or more participating employers, these changes could result in one or more of those participating employers constituting a separate employer and causing the plan to fall under the MEP provisions of Code section 413(c). This amendment will print with the Defined Benefit Base Plan Document #21 and Cash Balance Pension Base Plan Document #22 as well as being listed as stand-alone amendments in Batch Print.
- 2024 Termination Amendment has been added to the system. You can select the checklist from the Folderview. This amendment is intended to bring terminating plans up to date with all amendment requirements thru the end of 2022 (including SECURE, CARES, etc.).
- Action by Board of Directors revised the language to remove reference to Cash or Deferred Profit-Sharing Plan and replaced with reference to Cash Balance Plan or Defined Benefit Plan depending on which applies.
- 204(h) notice for both Defined Benefit and Cash Balance plans were missing the anniversary field that appears under provisions B2.c Normal Retirement Age for DB and B3.c Normal Retirement Age for CB adoption agreements. The notice now includes the anniversary date listed in the adoption agreement.

- 204(h) notice for the Cash Balance plans has been revised to include the Plan Effective Date listed in the adoption agreement.
- Cash Balance adoption agreement validations correct to prevent B7.d.2 referring to Disability Retirement Date being unchecked if option B8.a Limitation Year as Plan Year is selected and vice versa.
- Cash Balance SPD revised formatting of bullet points under question *How might a plan termination affect benefits and plan assets?* to conform with the rest of the document.
- Cash Balance SPD added additional language that appears for the question *How are my Plan Benefits Calculated?* if D2.c Monthly Benefit offset is selected in the adoption agreement.
- Trust Agreement – removed the section for adopting employers to sign the agreement. After review, it was determined that adopting employers never have to sign the trust agreement.

Post PPA 401(k)/Money Purchase/Profit Sharing

- 2024 SECURE Act Checklist has been created to be used by a defined contribution plan in conjunction with the Post-PPA (Cycle 3) document to keep track of the SECURE Act provisions being used in the plan. This is not a plan amendment. A plan amendment for SECURE Act provisions is not required until the end of the 2026 plan year once sufficient guidance is released by the IRS.
- 2024 Termination Amendment has been added to the system. You can select the checklist from the Folderview. This amendment is intended to bring terminating plans up-to-date with all amendment requirements thru the end of 2022 (including SECURE, CARES, etc.).
- Automatic Enrollment Notice corrected a printing/preview error that prevented the notice from printing. The notice will now print/preview.
- Automatic Enrollment Notice Error Number 5 message has been corrected and the notice now prints without the error.
- Automatic Enrollment Notice question *Does the Plan's automatic enrollment feature apply to me?* was revised to include missing language in the first paragraph when F7.b.2 *all Participants whose prior year election is less than the initial default deferral rate* is selected.
- Hardship Distribution Form – Self Certification revised language in parenthesis under the Type of Hardship section outlining documentation responsibilities.
- Loan Policy option *27.b An in-kind rollover of the promissory note out of the plan will be permitted at termination of employment* was added.
- Safe Harbor Election Amendment checklist revised language for option SH8 ADP Safe Harbor Contributions to address matching contributions.
- SPD for 401k plans changed formatting pertaining to questions *What are the eligibility requirements to become a participant in the plan? and Are any other employees eligible to participate in the plan?* to prevent the answer and question for *Are any other employees eligible to participate in the plan?* from appearing in the middle of the answer for *What are the eligibility requirements to become a participant in the plan?*
- SPD made grammatical changes under *How will I receive my distribution?*
- SPD tweaked when the "Other" option was selected for the distribution determination date for the following questions: What is my normal retirement age?; When will I receive my normal retirement benefits?; When will my beneficiary receive my benefits if I die?; and When will I receive my benefits upon termination?
- Post PPA 401k SPD revised language when Valuation Date D4.a Last day of the plan year and D4.e Daily are selected together under the question *What is the value of my account?*

➢ Post PPA Profit Sharing and Money Purchase Plan SPD revised to eliminate the question *How is service determined?* if there is no service requirement for eligibility, vesting, or credited service for any source. The question will only appear if one or all have service requirements for any source.

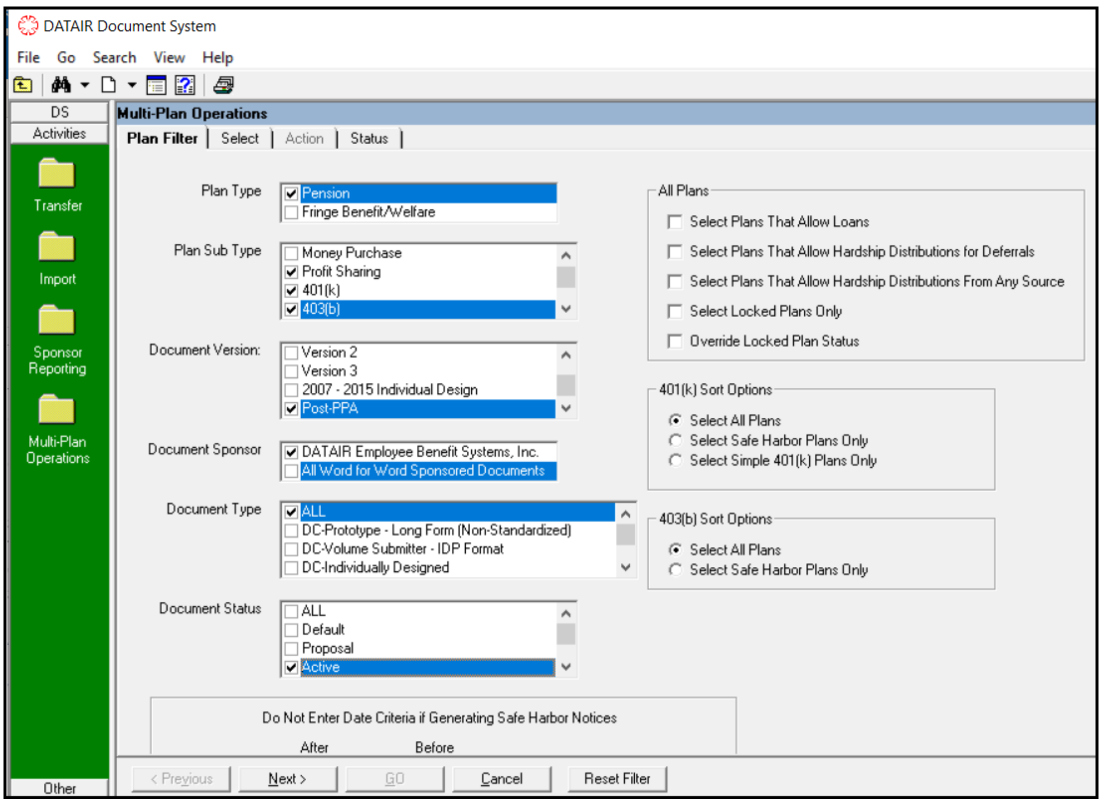
➢ Trust Agreement – removed the section for participating employers to sign the agreement. After review, it was determined that participating employers never have to sign the trust agreement.

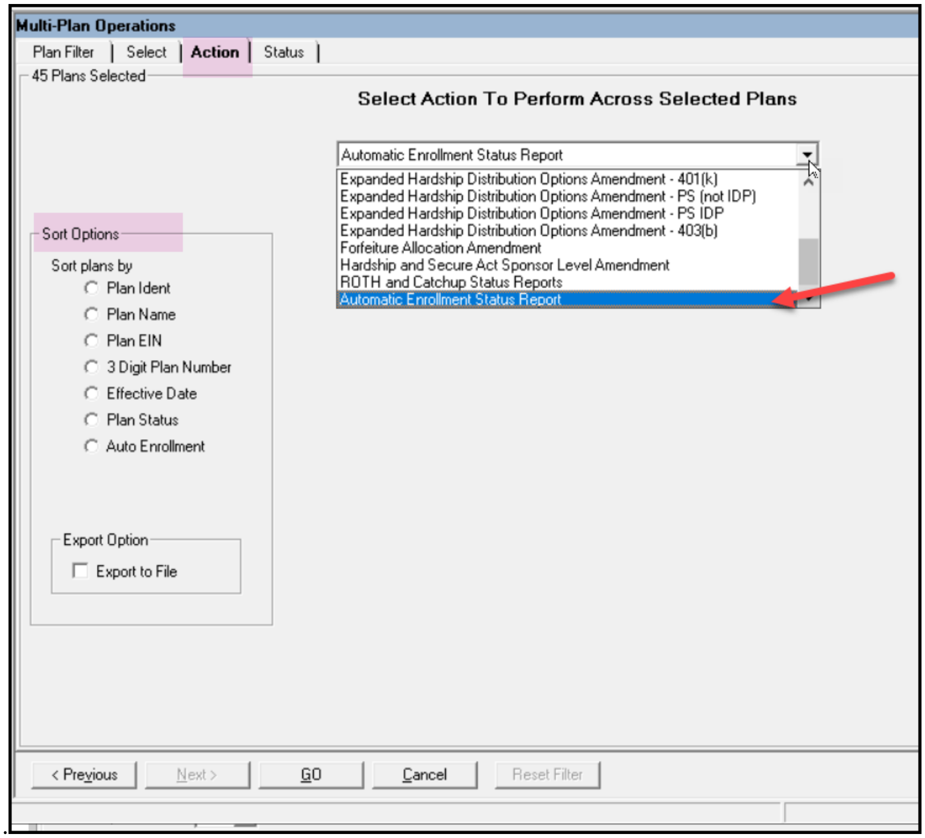
Multi-Plan Operations

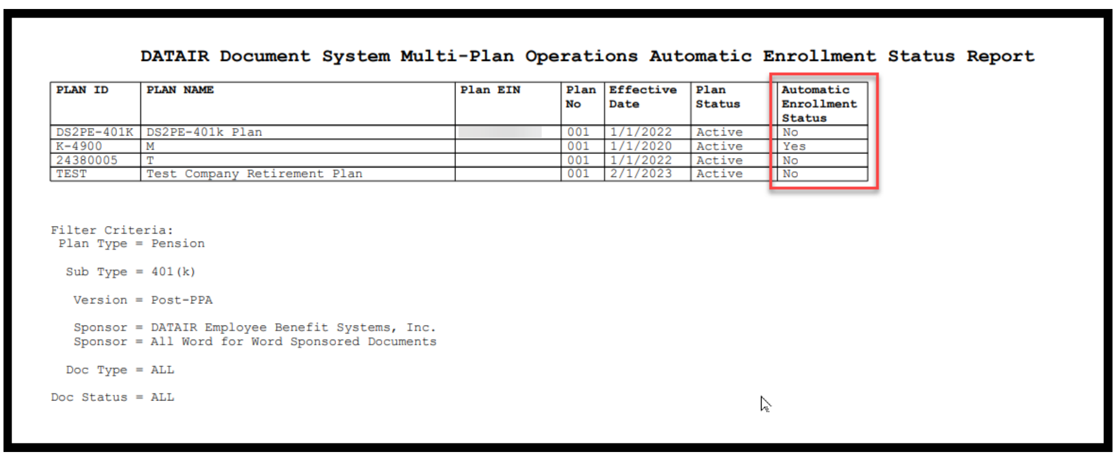
Post PPA 401(k)

➢ Automatic Enrollment Status Report was added to the Multi-Plan Operations. This report will assist in identifying whether plans have Automatic Enrollment provisions. To print the Automatic Enrollment Status Report, complete the Plan Filter tab in Multi-plan Operations.

Under the Action Tab scroll to the bottom of the list to select the Automatic Enrollment Status Report. Select how the report is to be sorted and click Go. A report indicating "Yes" or "No" if the plan has Automatic Enrollment provisions will be created. See the screen shots below.







DATAIR Document System Multi-Plan Operations Automatic Enrollment Status Report

PLAN ID	PLAN NAME	Plan EIN	Plan No	Effective Date	Plan Status	Automatic Enrollment Status
DS2PE-401K	DS2PE-401k Plan		001	1/1/2022	Active	No
K-4900	M		001	1/1/2020	Active	Yes
24380005	T		001	1/1/2022	Active	No
TEST	Test Company Retirement Plan		001	2/1/2023	Active	No

Filter Criteria:
Plan Type = Pension

Sub Type = 401(k)

Version = Post-PPA

Sponsor = DATAIR Employee Benefit Systems, Inc.
Sponsor = All Word for Word Sponsored Documents

Doc Type = ALL

Doc Status = ALL

Cafeteria Plan Documents

There are NO changes and/or updates in this release for Cafeteria Plan Documents or Health Reimbursement Plans.

Document System Version 1.42
Update Release Notes

DS 1.42 | DS Version 1.42.0000 | December 6, 2023

We are pleased to announce version 1.42 of the DATAIR Document System is available for download. Many changes and enhancements have been added to this update. Highlights are listed below. This update may require a database update.

Retirement Documents Highlights

- NEW! Questions referencing Long Term Part Time (LTPT) added to SPD for 401k plans
- NEW! ALL SPDs language was add to the Introduction Section addressing new law changes
- Updated FSA Statutory Limit & Carryover limit, HSA limits for 2024, and Annual limits for 2024 for RD and CD documents
- Printing issues for rtf format corrected
- 2023 Sponsoring Reporting is included in this release. See the Sponsor Reporting Instructions included with this release for details on reporting and deadlines.

Plan Documents

Global

- All Summary Plan Descriptions added the following language addressing the new law changes:

  There are several new laws that may apply to you as a participant in this plan. Even though some provisions may be effective currently, the IRS has delayed the date by which the plan must be amended (and the SPD updated) to reflect these provisions because they intend to issue guidance. Certain information in this SPD may be impacted by these new laws. The SPD will be updated once the IRS finalizes the rules, in the meantime, the plan administrator will let you know if any of these new rules affect your participation and benefits under the plan.
- Automatic Enrollment Notice revised to add an introduction to the notice
- Required Minimum Distribution Form revised to add Spousal Consent section

Post PPA 401(k)/Money Purchase/Profit Sharing

- Distribution Upon Plan Termination Form removed extra reference to IRA option under the Direct Rollover section
- Safe Harbor Amendment corrected minor grammatical issues
- Summary Plan Description fixed formatting issue for Trustees listed
- Summary Plan Description added new question “Are any other employees eligible to participate in the Plan?” to address LTPT employees

  Are any other employees eligible to participate in the Plan?

Yes, if you are classified as a long-term part-time employee, you will be eligible to make elective deferral contributions to the plan even if you have not met the plan's otherwise applicable service requirements. You are classified as a long-term part-time employee if you complete at least 3 consecutive eligibility computation periods beginning after December 31, 2020 in which you are credited with at least 500 hours of service.

There may be other conditions applied to your participation as a long-term part-time employee, if applicable, they will be explained to you by the plan administrator.

- Summary Plan Description for Profit Sharing Plans changed references to *Employer Non-elective Contribution* to *Profit Sharing Contribution*.
- Summary Plan Description for Money Purchase plans changed references to *Employer Non-elective Contribution* to *Employer Contribution*
- Summary Plan Description for Profit Sharing and Money Purchase plans removed reference to no eligibility service requirement when no service requirement is selected in the Adoption Agreement and no vesting service requirements when 100% vested immediately is selected in the Adoption Agreement.
- 401(k) Adoption Agreement corrected print issue when text is entered for F5.a.4 Automatic Deferral Rates
- Summary Plan Description removed erroneous language referencing hours of service when no hours requirement is selected in the Adoption Agreement
- Automatic Enrollment Notice removed first paragraph of notice referencing 401(k) safe harbor provisions when plan is not a 401(k) safe harbor plan
- 2023 Termination Amendment RMD age corrected typo to read "seventy-three (73)"

403(b) Version 3

- Adoption Agreement D6. Automatic Contribution Arrangement, D6.b default increased the formatting to xx.x and revised the note
- Adoption Agreement D9.b.b.1 revised the note to indicate the initial default percentage maximum is 6% for QACA

Multi-Plan Operations

Post PPA 401(k)/Money Purchase/Profit Sharing

- Multiplan Operations corrected to print the SPD without missing information, if the information was completed in the Adoption Agreement

Cafeteria Plan Documents

Cafeteria Plan Documents Highlights

- Plan Documents have been updated for 2024 plan year limits
  - Maximum Health FSA Salary Reductions and Maximum Carryover Health FSA
  - Health Savings Account
  - Qualified Small Employer HRA
  - Transportation Reimbursement Plan

To : All DATAIR Retirement Plan Document System Subscribers
From : DATAIR Document Services
Date : December 6, 2023
Re : Annual Document Sponsor Reporting

Mandatory Document Sponsor Reporting - Your Immediate Action is Required!

Failure to respond will risk your clients' plans being removed from the pre-approved program. This means loss of reliance on opinion and advisory letters issued by the IRS, and the potential for being considered Individually Designed.

Annual Document Sponsor Reporting Utility

To maintain our status as a sponsor of prototype and volume submitter retirement documents, and to ensure adopting employers' reliance on the Opinion and Advisory Letters issued on those documents, DATAIR must comply with the requirements of IRS Revenue Procedure 2017-41.

Among other provisions, 2017-41 requires that the plan sponsor (e.g. DATAIR or your firm as a Word-for-Word Adopter):

- Maintain, and be prepared to provide to the IRS when requested, a listing of the name, current business address, and Federal Employer Identification Number of each employer that has adopted the Sponsor's plan; and
- Notify adopting employers of changes to the pre-approved document (prototype and volume submitter) during the preceding 12 months; of any intent to abandon the pre-approved document; or of necessary steps that are required to be taken to continue to rely on the opinion or advisory letter.

In order to satisfy these requirements, the DATAIR Document System (DS) includes a Sponsor Reporting utility that gathers the necessary information and prepares a file to be returned to us via uploading it to our Sponsor Reporting web site (http://www.datair.com/SR).

For Word-for-Word Adopters, this utility also generates lists and sample letters to comply with the recordkeeping and notification requirements described above.

PLAN PROVISION SURVEY

Now that all documents have been approved by the IRS for Post PPA, we are in the design stages of the next document cycles. Your plan information will help us best determine any changes that may be needed. We will determine where we should consolidate plan types & options, re-draft sections, or eliminate options & features, based on the provisions that exist within **your** clients' plans**, if you comply with this request.**

We have created a utility that will extract "checkbox" selections from plan files and transmit that information to us. This utility will run as part of the Sponsor Reporting process, described below.

ONLY the **checkbox** selections will be extracted and transmitted during this plan provision survey. We will NOT collect information from any text fields. For example, we will receive the indicator that the plan has semi-annual entry dates, but we will not know that the first entry date is January 1.

We need your cooperation by complying with this request, even if you would otherwise not provide "Annual Reporting" (described below) information to us. If you are a **Word-for-Word Adopter** for many of your clients' plans, we want to be sure to include your clients' plan options in our document redesign.

PLEASE RESPOND, as directed below. If we do not receive a transmittal from your firm, the options that are important to your clients **might not appear in future document versions**, simply because we are unaware of how many plans select that option. Instructions for opting out of the Plan Provision Survey are explained in the following Sponsor Reporting Manual.

ANNUAL DOCUMENT SPONSOR REPORTING

Any pre-approved documents adopted under DATAIR's name that you fail to report to us by the final date of **Friday, January 26, 2024** will not be included in our records of active plans for this reporting cycle.

Unreported plans would no longer have reliance on DATAIR's opinion or advisory letter and would be considered individually designed, if they are not restated onto another provider's pre-approved document.

An annual reporting fee applies to "active" pre-approved plans prepared under DATAIR's name, including:

- Post-PPA (cycle 3) DB non-standardized documents
- Post-PPA (cycle 3) CB non-standardized documents
- Post-PPA (cycle 3) DC non-standardized documents
- PPA version DB prototype and volume submitter documents
- PPA version Cash Balance volume submitter documents
- PPA version 403(b) volume submitter documents (version 3)

The annual reporting fee increases, based on the date that you report the plan to us, per the following chart. It is to your firm's advantage for us to receive your reply by January 12, 2024.

Received on or before	Reporting Fee per Active Plan
Friday January 12, 2024	$10
Friday January 19, 2024	$15
Friday January 26, 2024	$20

Plans reported after January 26, 2024 will not be included in this reporting cycle.

Fees will be based on the number of active plans through January 1, 2024. There is no fee for inactive, terminated, or draft plans. Nor is there a fee for volume submitter and prototype plans for which your firm is the document sponsor (Word-for-Word Adopter). Keep in mind that if you only sponsor some of the plan or document types, you must report to us any plans for which DATAIR is the document sponsor.

There is a $20 per-plan special handling fee for plans reported to us manually rather than through the Sponsor Reporting web site, and for manual corrections. This manual processing fee is in addition to the standard per-plan fee. Although it's possible to make corrections by uploading a new filing, please verify the information you are reporting is complete and accurate before you transmit it to us. You will receive immediate feedback from the web site that your filing was accepted.

All fees associated with Sponsor Reporting will be included in your January 2024 or February 2024 billing statement as a separate line item.

If you are a Word-for-Word Adopter of one or more of the DATAIR documents, please remember that you are responsible for meeting the reporting requirements of IRS Revenue Procedure 2017-41 for plans prepared under your firm's name. Through the Sponsor Reporting Utility, you can generate the necessary lists and letters for the plans for which your firm is the document sponsor.

If you have any questions, please contact DATAIR Document Services group via email at support@datair.com or phone at (630) 325-2600.

WE REQUEST A RESPONSE FROM ALL DATAIR DOCUMENT SYSTEM USERS, EVEN IF YOU HAVE NO DATAIR-SPONSORED PLANS TO REPORT

PLEASE COMPLETE THE SPONSOR REPORTING PROCESS NO LATER THAN

FRIDAY JANUARY 26, 2024

<u>FOR THE LOWEST FEE, FILE BY FRIDAY JANUARY 12, 2024</u>

THANK YOU FOR YOUR COOPERATION!

EMPLOYEE BENEFIT SYSTEMS, INC.

Serving Pension & Benefits Professionals since 1967

DATAIR Document System

2023 Sponsor Reporting Guide

DATAIR Employee Benefit Systems, Inc.
735 N. Cass Avenue Westmont, IL 60559 (630) 325-2600
http//www.datair.com support@datair.com

Table of Contents

Instructions for Sponsor Reporting

1.1 Introduction

IRS Revenue Procedure 2017-41, requires DATAIR, as a Document Sponsor, to maintain a current list of all employers who have adopted and maintain documents where DATAIR is the Document Sponsor. Additionally, we are required to notify each employer who has adopted a plan of changes made to the pre-approved document, or of required amendments. The Sponsor Reporting process allows DATAIR to comply with the above requirements.

1.2 Who Should Report

All Document System clients must participate in the Sponsor Reporting process.

- If you have **ANY** plans in the DATAIR Document System for which DATAIR is the Document Sponsor, then you **must** report them to DATAIR. If you are a 'Word-for-Word Adopter' (reregistered the documents in your company's name) for some of your documents, any documents **not** covered by your Word-for-Word Adopter status **must** be reported to DATAIR.

- If you have no plans to report, we need to know that too. By receiving a transmission from each subscriber, we can differentiate between those that have not yet reported and those that simply have no plans to report. See instructions below on how to report that you have no plans to report.

1.3 What Plans are Reported to DATAIR

To comply with its reporting requirements under IRS Revenue Procedure 2017-41, DATAIR is concerned with documents that meet the following criteria:

1) Documents that show DATAIR as the Document Sponsor

AND ARE ALSO

2) Coded as an

PPA Prototype (DB); or
PPA Volume Submitter (DB or CB); or
PPA Version 3 (403(b)); or
Post-PPA (cycle 3) Non-standardized (DC, DB, or CB)

AND ARE ALSO

3) Coded as Active with an effective date on or before 01/01/2024
or coded as Inactive as of 01/01/2021 or later.

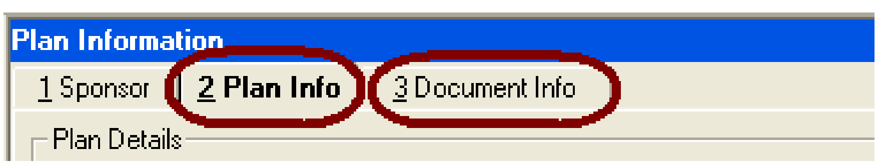
DATAIR's reporting requirements DO NOT include the following:

- Documents where the Document Sponsor is other than DATAIR
- GUST or Post-GUST plans
- EGTRRA Defined Contribution and Defined Benefit plans
- PPA Defined Contribution plans
- Plans coded as Proposal or Default
- Individually Designed Documents and plan types not covered by IRS Revenue Procedure 2017-41, such as Cash Balance IDP and prior, 403(b) versions 1 & 2, as well as the IRS model, etc.

1.4 Before You Start

Make sure that the information in your plan files is up to date. In particular, please make sure the following is correct.

- **Plan type information (*Plan Type, Sub Type, Document Type, Document Version*)**
  These selections can be found on the Plan information screen, at the Plan Info, and Document Info tabs.



- **The Plan & Documents' current status (i.e. *Proposal, Active, Inactive*)**

  There are two different Status fields that control how the plan is reported:
  1. The Plan Status on the Plan Information Tab; and
  2. The Document Status on the Document Information Tab.

The Plan Status has options of Active, Inactive, Proposal, and Default. This field is used to indicate the overall status of the plan itself (as opposed to the document). Plans which are coded as Proposal or Default are ignored for the purposes of Sponsor Reporting.

The Document Status field is used to indicate the status of the document. There are several scenarios where the document status and the plan status might be different. The most common is where the plan is ongoing, but either you no longer provide the document for the plan or it is no longer on a document generated by the DATAIR document system.

The Document Status field has additional status codes to further classify the reason the plan is inactive. This is important for determining which clients require notification letters.

Documents that are not adopted by the employer at this time should be coded as Proposal at either the Plan Status or Document Status level. Documents coded as Proposal are not subject to Sponsor Reporting.

Documents that are currently adopted and in force by the adopting Employer should be coded Active. Documents coded as Active are subject to Sponsor Reporting.

There is also an additional option of "Active – Change in Document Sponsor". Select this option if the plan has been restated from DATAIR's sponsorship to your company as a Word-for-Word Adopter, or vice-versa. These plans are also subject to Sponsor Reporting.

Documents that have become inactive should be coded as Inactive on the Document Info tab. If coded as inactive, an inactive date must also be entered. There are a number of options for inactive plans:

- Inactive – Plan Termination. Plan has been terminated.
- Inactive – Merger. Plan has been merged into another plan.
- Inactive – No longer a Client. Client has moved to another TPA. May also be used to indicate a switch to another vendor's documents.
- Inactive – Active in Error. Plan was previously reported as active, but should not have been.
- Inactive – Other Reason. Special circumstances not covered by any of the above options.

Inactive plans are also subject to Sponsor Reporting but are not subject to a per plan fee. Report Inactive plans that became inactive between 1/1/2021 and 12/31/2023.

It is important that you review the plan status before finalizing your reporting to us to make sure that plans are being accurately reported. Keep in mind that reliance on the IRS opinion or advisory letter is based on the plan being listed as an Active plan in our records.

Review and Correct as needed to:

- **The Adopting Employer's name and address**

  In DS, the employer's name and address information is found on the Plan Info screen on the Sponsor Tab, and is used to mail notification letters, if applicable. If the adopting employer has moved, changed names, etc., please update this information so that any notification letters can reach the employer.

- **The Tax ID number**

  The IRS requires a Tax ID number. This must be an EIN, not a Social Security number. In DS, it is found on the Plan Info Screen; Sponsor Tab. Plans that have applied for but not yet received a Tax ID Number should be coded 99-9999999. Now that the IRS issues EINs online immediately, there should be no need for using 99-9999999.

  Keep in mind that our records are maintained by EIN/PN, so reporting a plan with the 'Applied For' number or an incorrect EIN may result in the plan not being found should the IRS contact us for the reporting history of your plan.

- **Document Plan Sponsor**

  The document sponsor must be selected to indicate whether DATAIR or your firm is the document sponsor. This option is found on the Plan Info Screen, Document Info Tab.

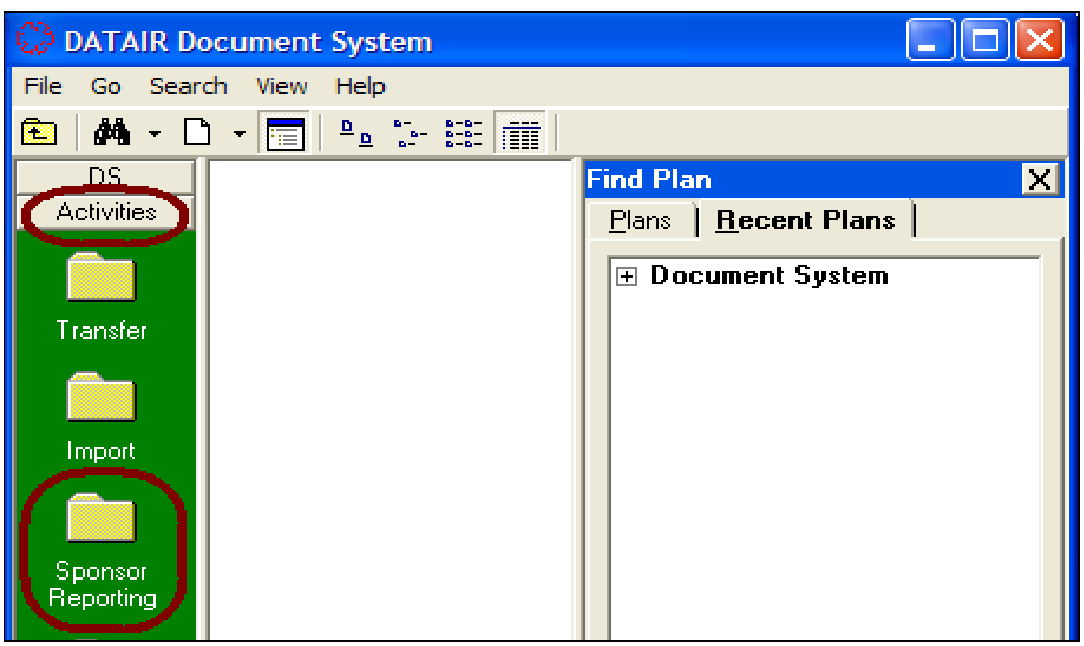
Making sure this information is filled-out and up-to-date on all active and inactive plans to be reported to DATAIR will ensure that the sponsor reporting process goes smoothly.

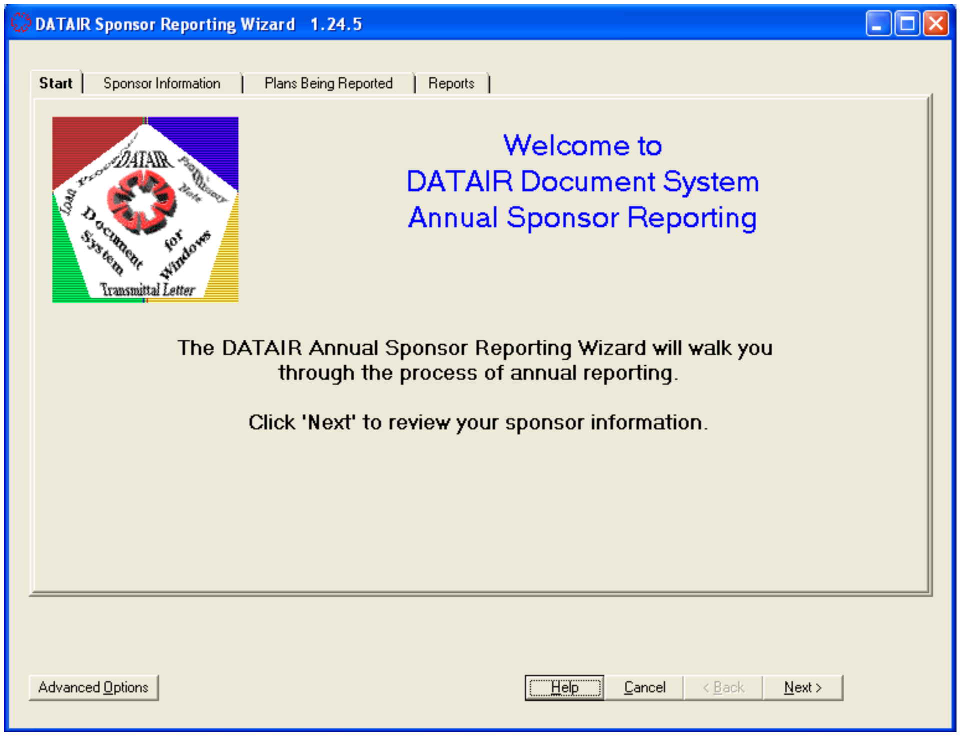
1.5 Installation of the Sponsor Reporting Utility

The Sponsor Reporting Utility is installed as part of DATAIR Document System ver. 1.42.0000. You must have DS 1.42.0000 installed to run the current Sponsor Reporting utility. Data transmitted to DATAIR from a previous version will be rejected and will not be processed.

1.6 Starting the Sponsor Reporting Utility

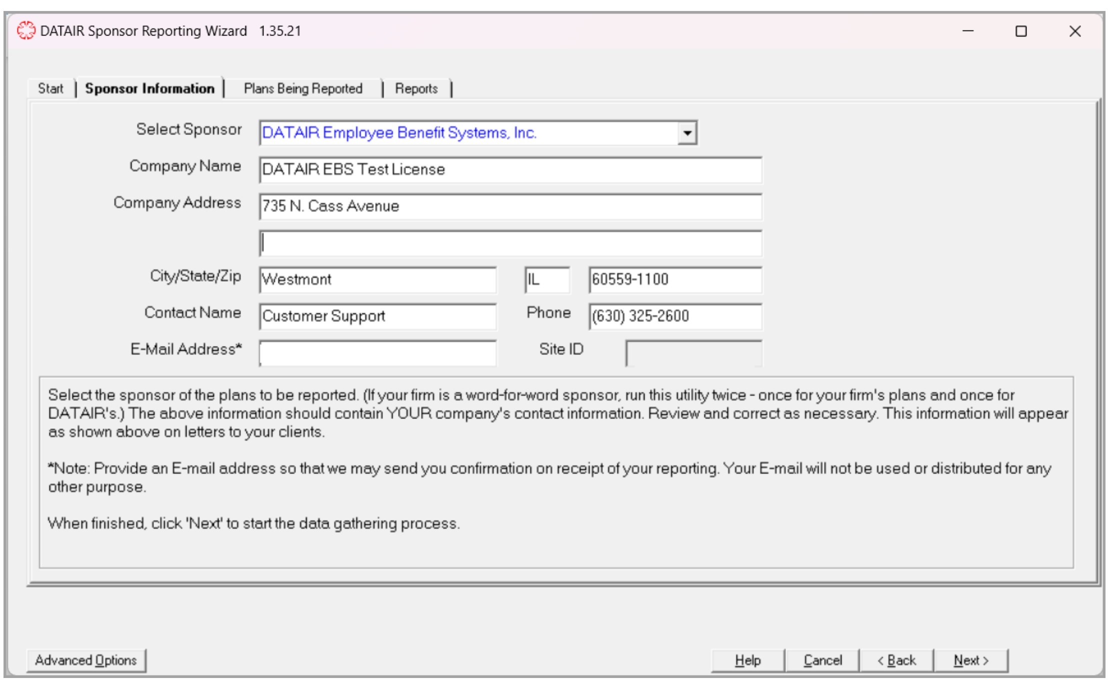
You will find the Sponsor Reporting Utility listed in the Document System 'Activities' list bar.





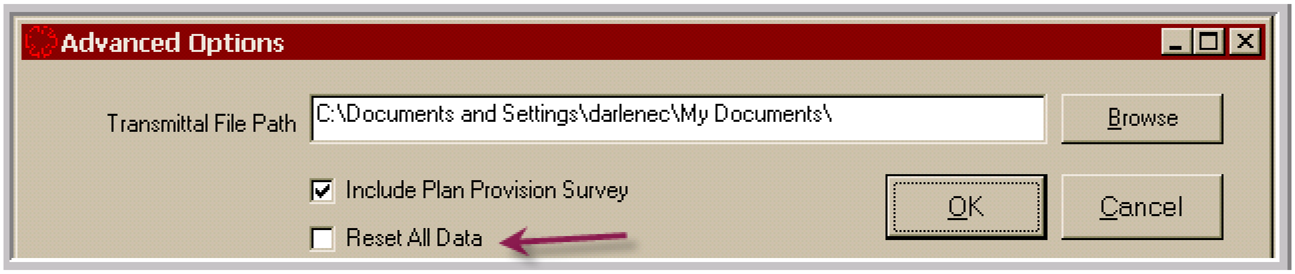
After starting the Sponsor Reporting Utility, and clicking Next> to pass the opening screen, the next screen will display your Sponsor Information.

1.7 Sponsor Information



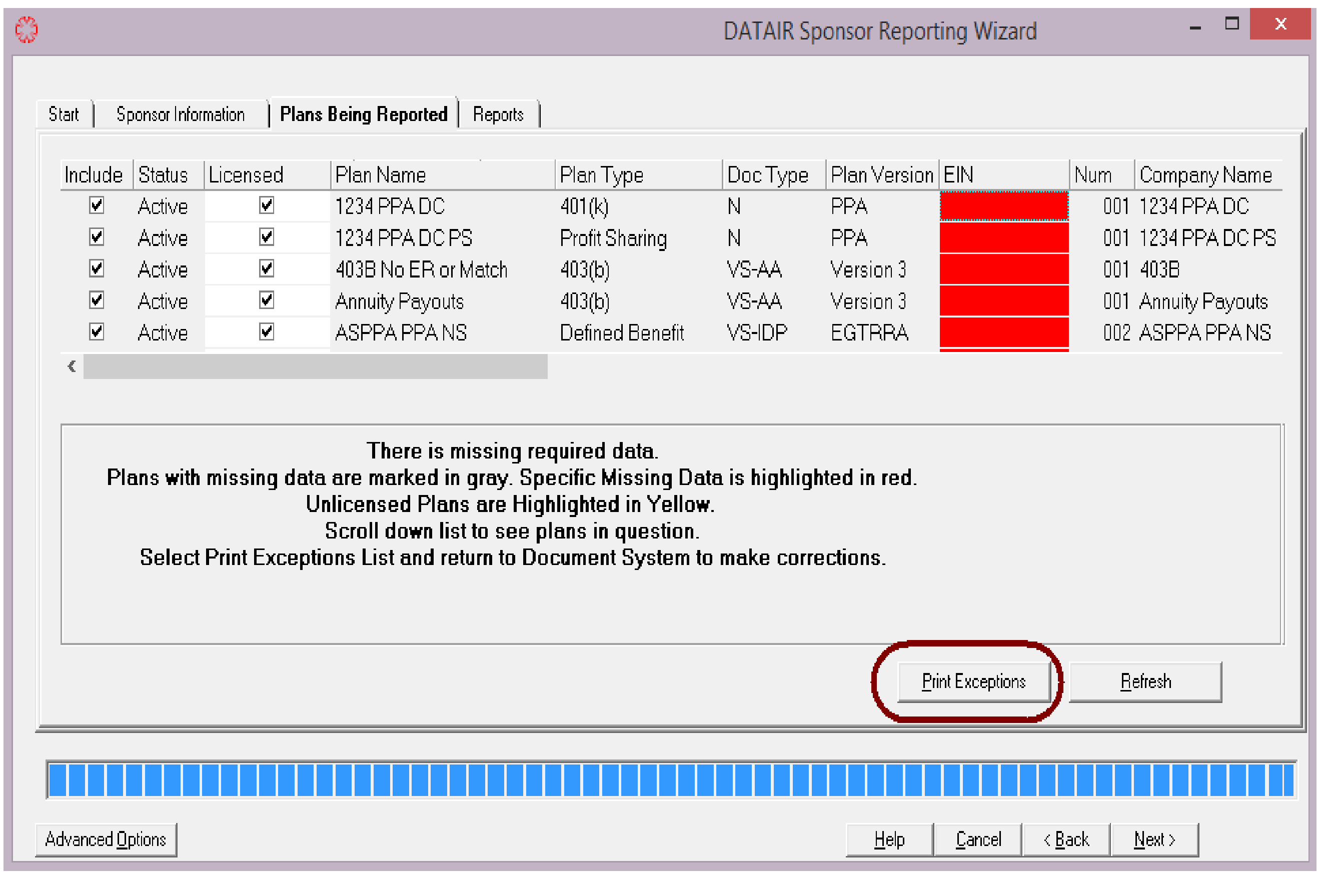
Confirm your company name, address, phone, and contact information. Any fields with missing required information will be highlighted in red. The information on this screen will appear on any notification letters EXACTLY as shown on the Sponsor Information Tab.

You can clear all the data shown on the Sponsor Information Tab by putting a checkmark beside *Reset All Data* under the Advanced Options screen. To access the Advanced Options screen, click the *Advanced Options* button located in the lower left hand corner of the Sponsor Reporting screens. This will remove all previous data so you can enter new data on the Sponsor Information Tab. You can also select to opt out of the Plan Provision Survey by removing the checkmark for *Include Plan Provisions Survey*.



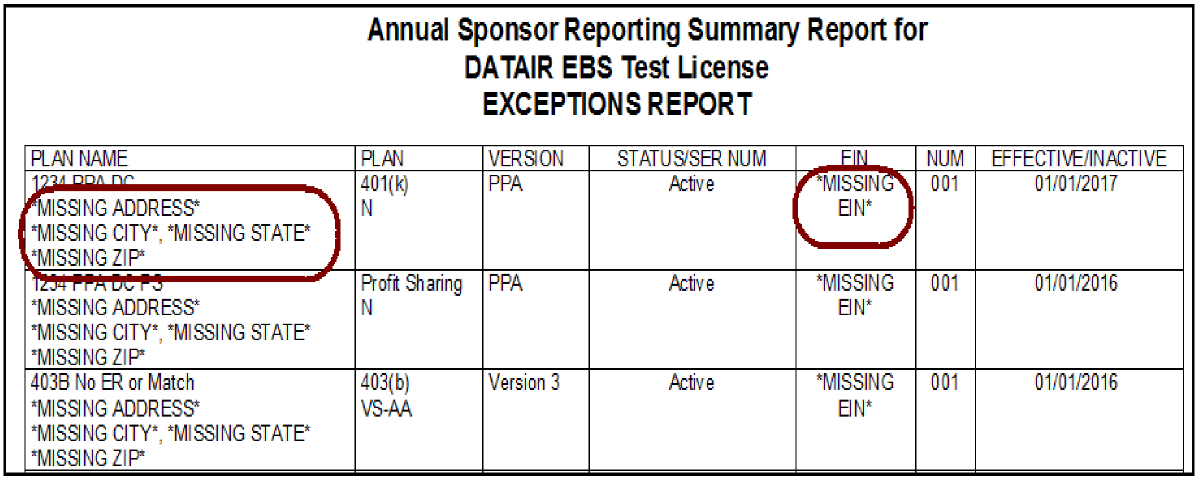
We have provided space for an E-Mail address. While not appearing on notification letters, we use this E-Mail to communicate with you regarding Sponsor Reporting. Your E-Mail address will NOT be used or distributed for any other purpose. Click <Next> to continue on to the next section.

1.8 Plans Being Reported



The Sponsor Reporting utility gathers the information on the plans to be reported.
Missing Data: Note the red highlighting in the example. This indicates that required data is missing. Lines that are grey/tan indicate that the plan has missing information. Make sure to scroll left and right to view all of the fields.

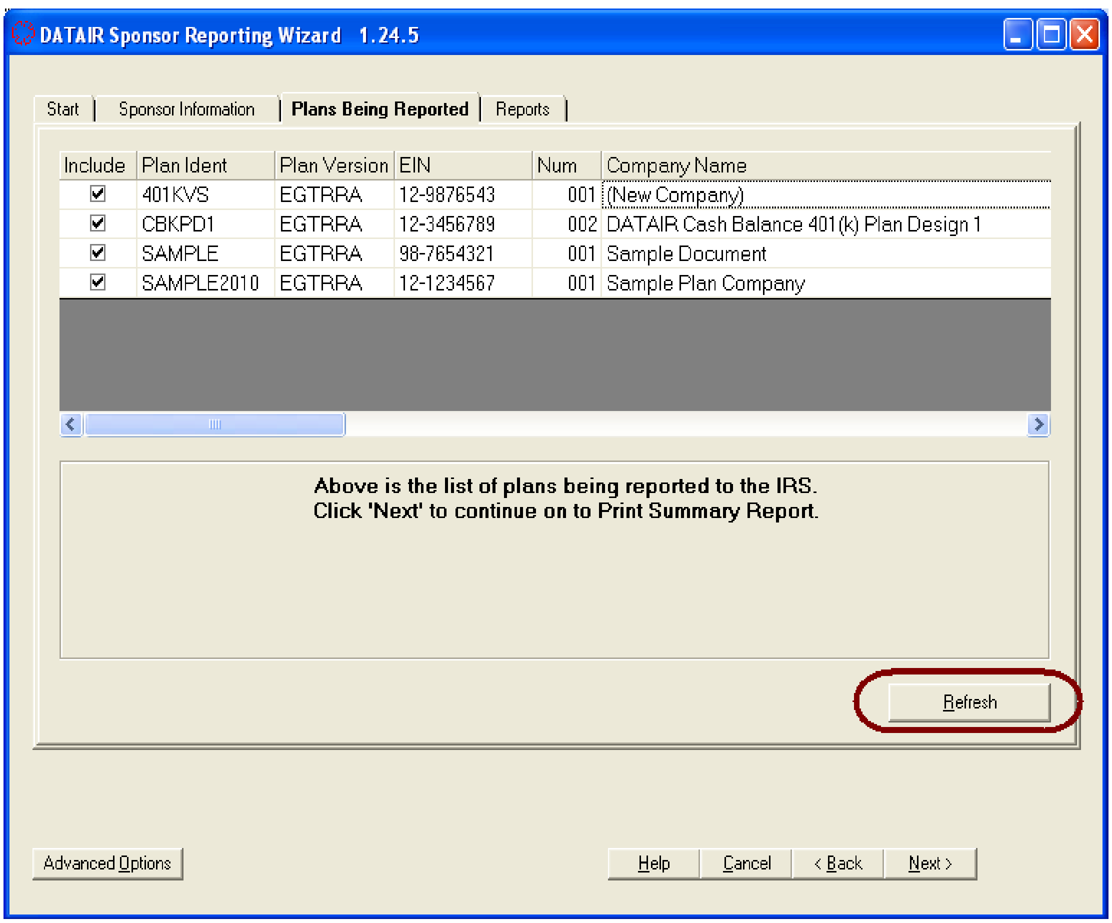
A selection button for *Print Exceptions* will appear to provide a list of plans requiring corrections. To correct missing data, you may work in both the Document system and Sponsor Reporting simultaneously. Return to the Document System, open the plan in question, and enter the missing data.



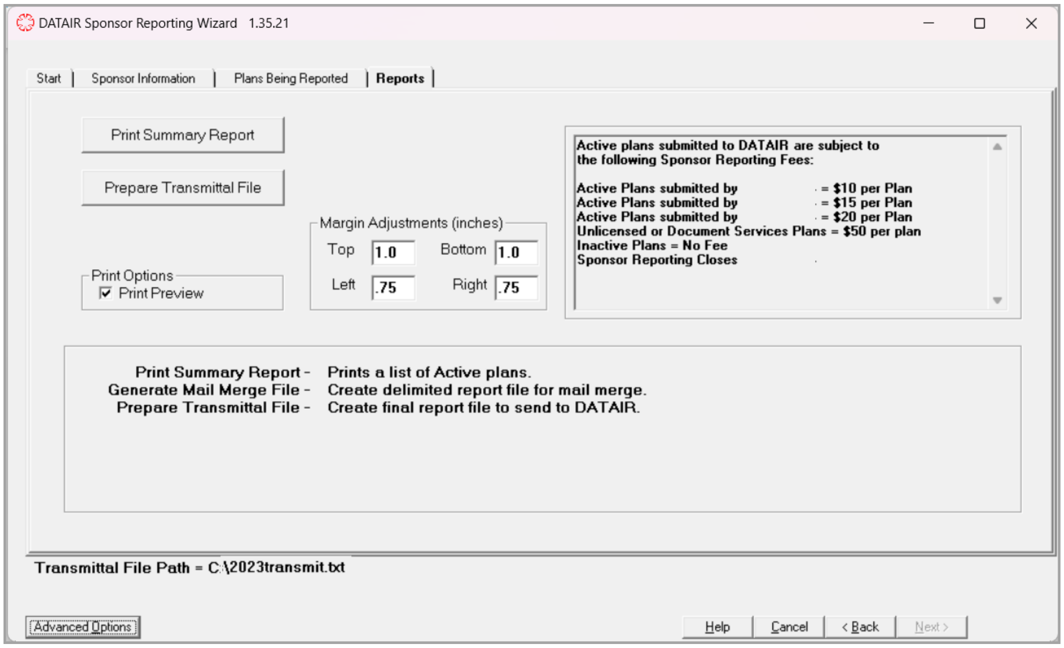
Annual Sponsor Reporting Summary Report for
DATAIR EBS Test License
EXCEPTIONS REPORT

PLAN NAME	PLAN	VERSION	STATUS/SER NUM	EIN	NUM	EFFECTIVE/INACTIVE
1234 PPA DC *MISSING ADDRESS* *MISSING CITY*, *MISSING STATE* *MISSING ZIP*	401(k) N	PPA	Active	*MISSING EIN*	001	01/01/2017
1234 PPA DC PS *MISSING ADDRESS* *MISSING CITY*, *MISSING STATE* *MISSING ZIP*	Profit Sharing N	PPA	Active	*MISSING EIN*	001	01/01/2016
403B No ER or Match *MISSING ADDRESS* *MISSING CITY*, *MISSING STATE* *MISSING ZIP*	403(b) VS-AA	Version 3	Active	*MISSING EIN*	001	01/01/2016

Then, return to Sponsor Reporting and click the *Refresh* button to re-load and re-verify the data

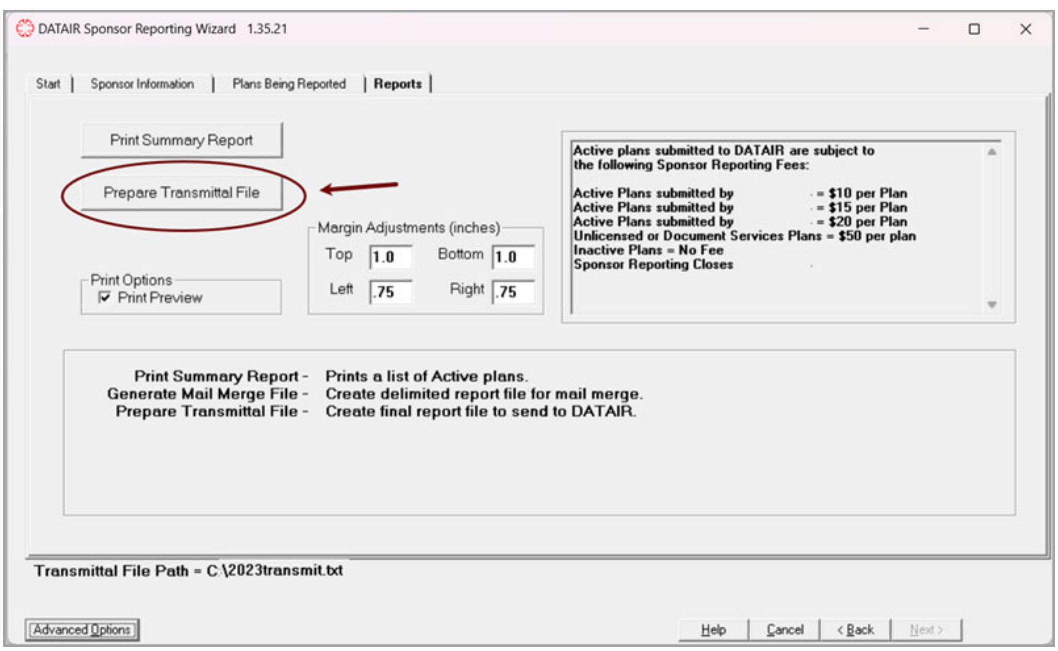


1.09 Reports & File Creation



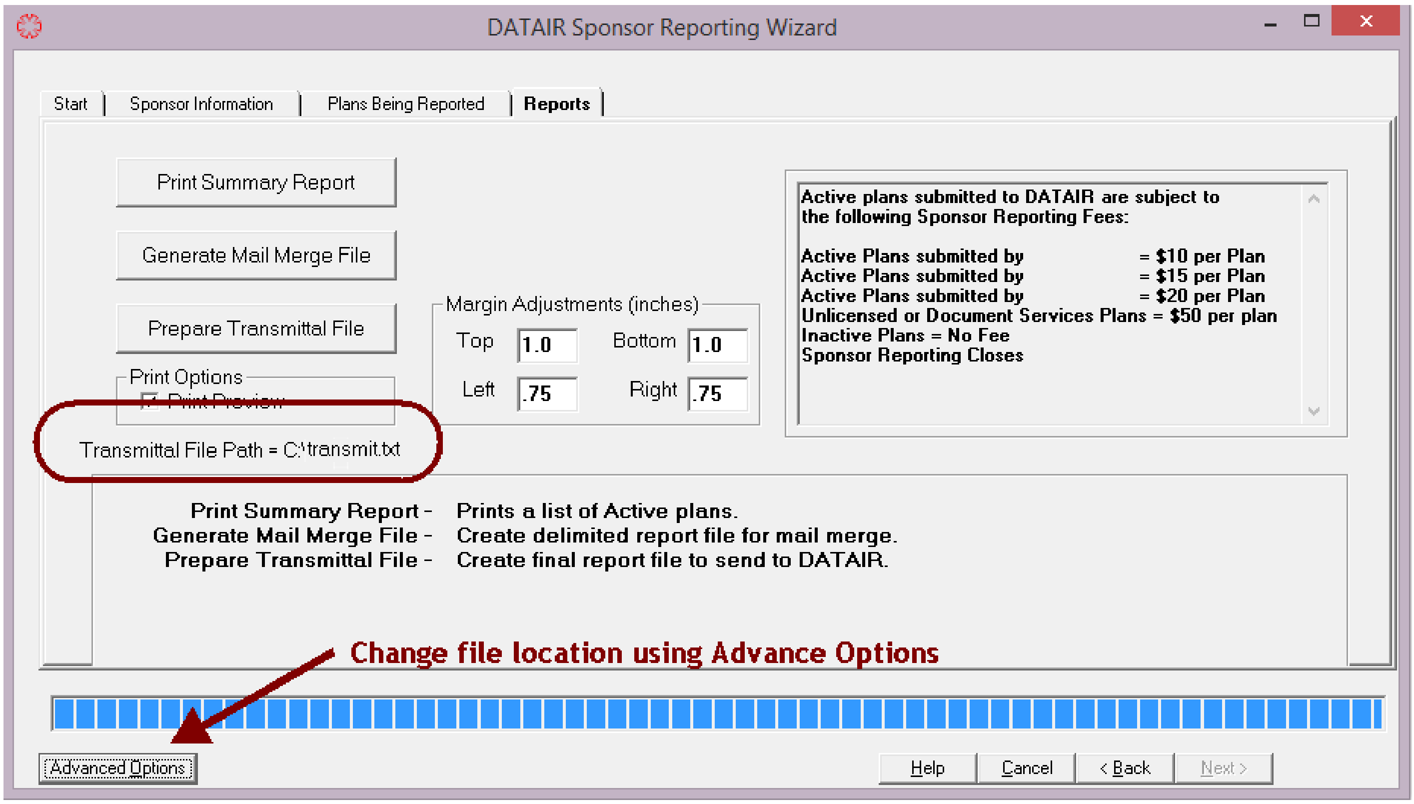
You may generate a hard copy report of the reportable plans using the *Print Summary Report* button. You may adjust the margins for this report.

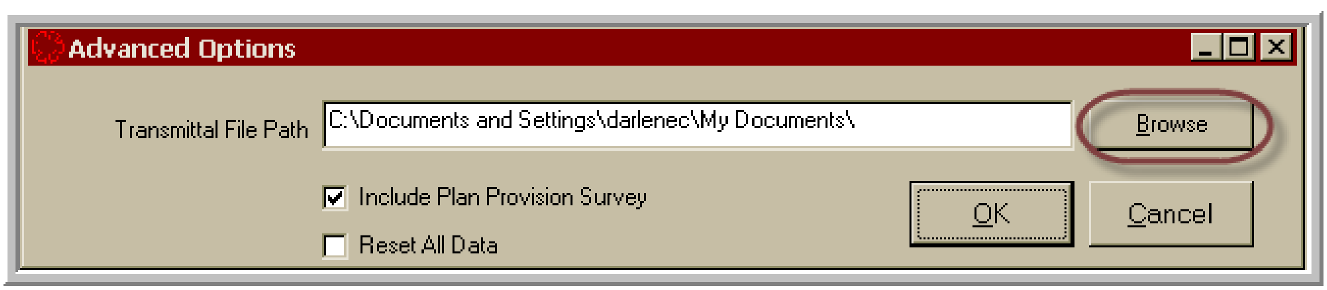
You may also generate a mail merge file that can be used in an external program like Word© or Excel© to generate your own custom cover letters using the *Generate Mail Merge File* button. The file created is a comma delimited file with the first record containing field names. Select *Generate Mail Merge File* to create the merge file. The file name used is *Mailmerge.CSV* and will be placed in your *My Documents* folder.



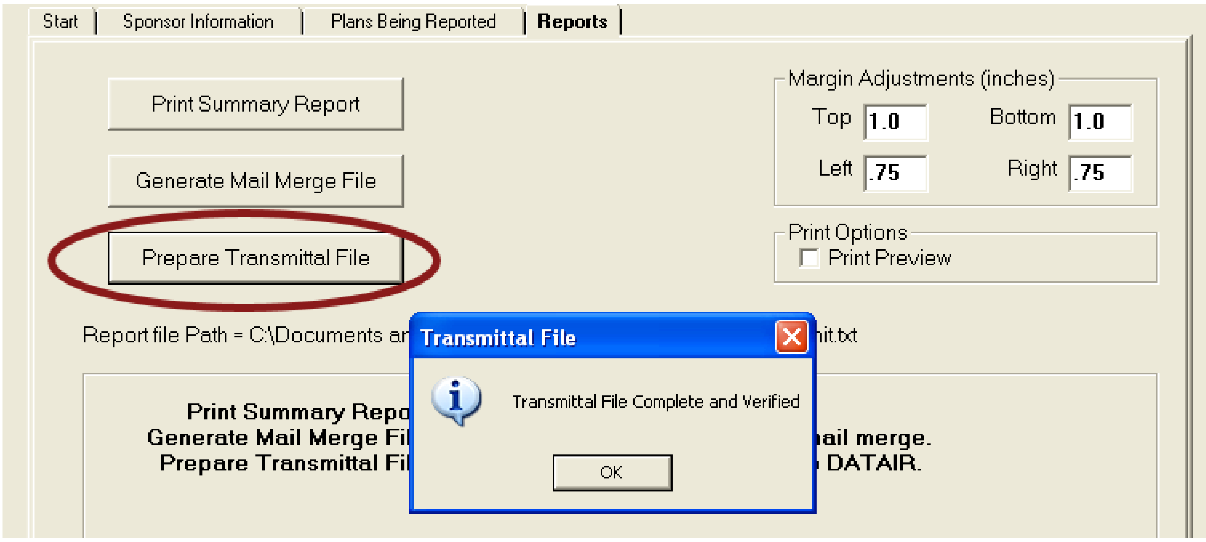
If you are satisfied with the list of plans being reported, you can create the Sponsor Reporting file that you will upload to us by pressing *Prepare Transmittal File* button. The file 2023TRANSMIT.TXT will be created in the path you have selected. The default location will be your *My Documents Folder*.

You can click on the *Advanced Options* button and then click the Browse button to indicate a path other than the default path. From the Browse button, you will have the opportunity to change the drive and location where the transmit file will be saved.

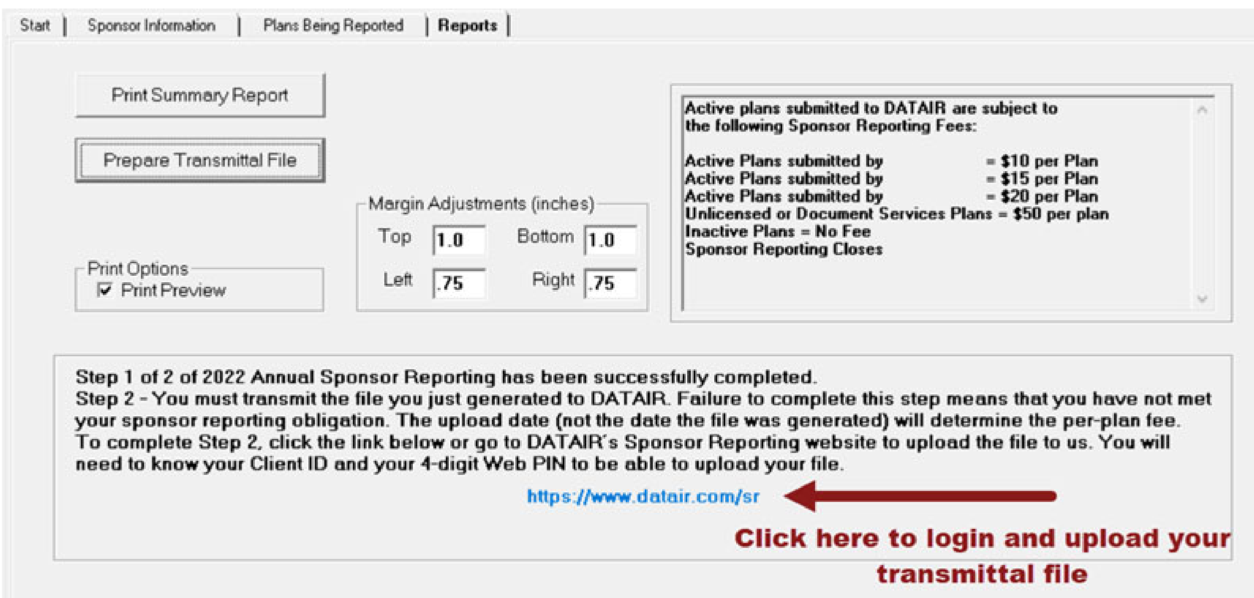




1.10 Reporting via the DATAIR Sponsor Reporting Web Site

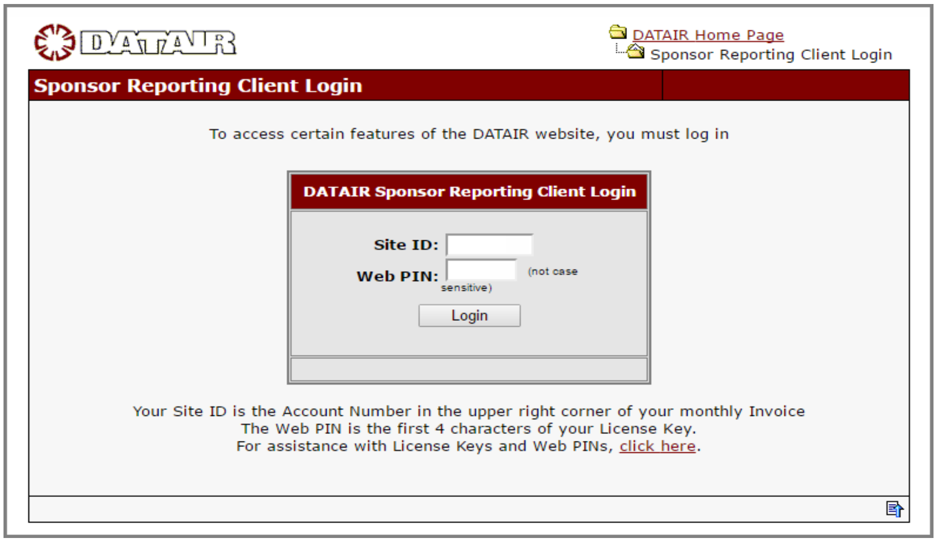


You will receive a confirmation message, when the transmittal file has been created. ***Note: You still need to upload your 2023transmit.txt file.***



Click the blue link in the center to log in and upload your transmittal file. If you press the *Finish* button without clicking the internet link, you will only be half finished with your Sponsor Reporting. You will still need to go to http://www.datair.com/SR from your favorite web browser to finish the last half of Sponsor Reporting.

If you do not have internet access or have trouble clicking the link at the time of preparing the transmittal file, go ahead and press the *Finish* button and go to http://www.datair.com/SR from your favorite web browser.

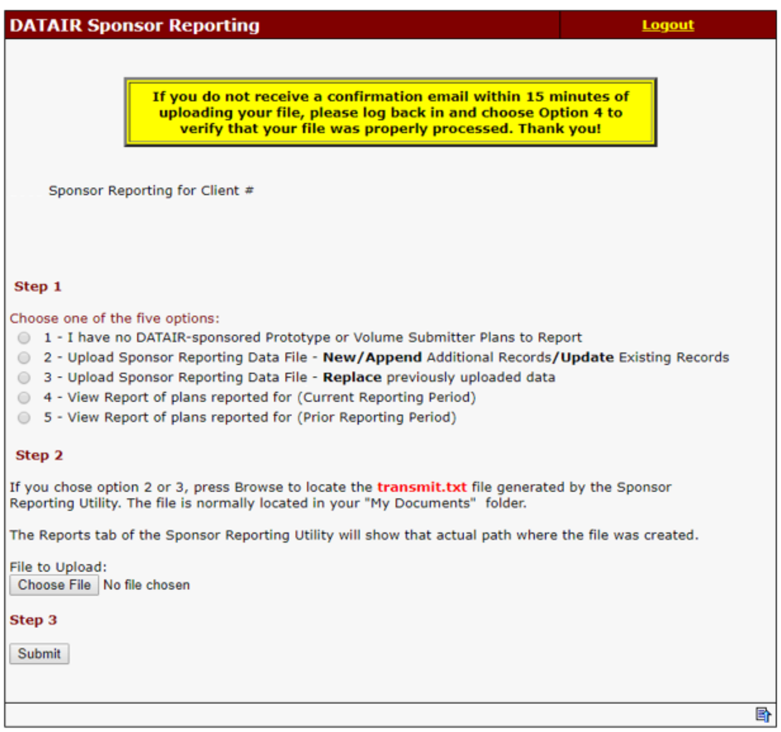


Once at **http:/www.datair.com/SR** you will see the screen illustrated above.

Log into the system using your Site ID and Web PIN. The Web PIN is the first 4 characters of your License Key.

- If you are unsure of your Site ID and/or Web PIN, click the "*click here*" link.
- This link will generate an email to the main contact for your firm. The email will contain the required information to login to Sponsor Reporting.

If your login was successful, this screen will appear



If you have difficulty logging in to the Sponsor Reporting web site, please contact our technical support group.

Your client information will be displayed at the top of the page for confirmation. Once the menu is displayed, follow the on-screen instructions, as explained below:

STEP 1 - Choose one of the five available Step 1 options:

1 - I have no DATAIR-sponsored IRS Pre-Approved Plans to Report

- Use this option if you have no plans to report to DATAIR.
- Use this option for telecommuters whose plans are being reported from the main site.

2 - Upload Sponsor Reporting Data File – **New/Append** Additional Records/**Update** Existing Records

- **Use this option for reporting your 2023 plan records.**
- Use this option, if you have multiple Sponsor Reporting files (i.e. from multiple machines).
    - Uploading data under this option will append and update existing records; this will create a cumulative list and reporting of all of your plans.

3 - Upload Sponsor Reporting Data File – **Replace** previously uploaded data

- Use this option to erase all previously uploaded data for this year and replace with new.

4 - View Report of currently reported plans

- To receive a PDF listing of all plans you have reported for this year (2023).

5 - View Report of plans reported during the prior Sponsor Reporting period

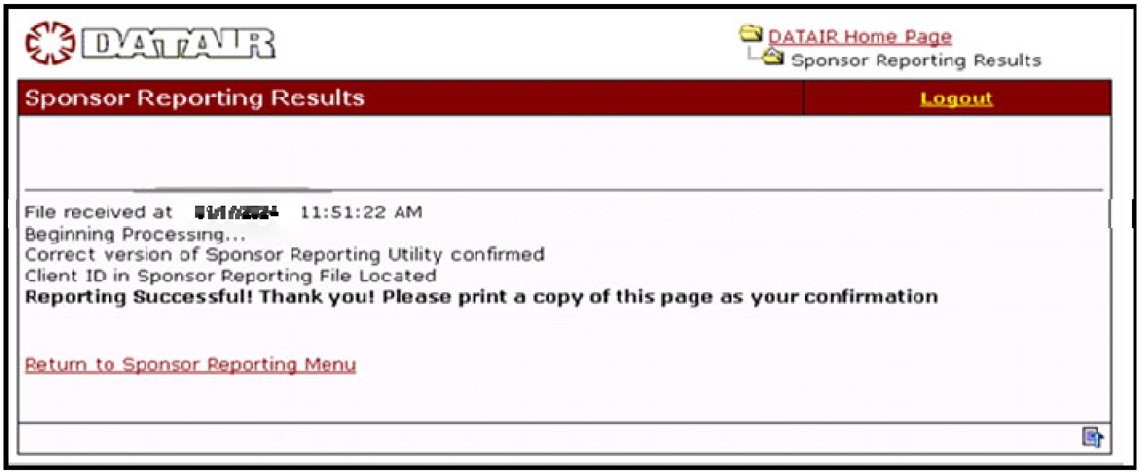
- To receive a PDF listing of all plans you reported last year (2022).

STEP 2 – If you selected option 1 above, skip to Step 3. If you selected option 2 or 3, you will now press *Choose File* to locate and select the 2023TRANSMIT.TXT file from either your *My Documents* folder or your customized location created by using the *Advanced Options* button in Section 1.09. Once located, click *Open* to load the path.

STEP 3 - Press **[Submit]**

The file will be uploaded and processed. Depending on the speed of your internet connection, and the number of documents you are reporting, the processing may take from a few seconds to a couple minutes.

Once the file has been received and processed, you will see a results screen like below.



A confirmation email will be sent to the email listed on the Sponsor Tab in Sponsor Reporting, once you receive the *Reporting Successful* message. You should do a print screen of the confirmation screen to serve as your receipt that the reporting process was completed successfully.

If there were any problems, the results screen will identify the problem. The possible problems you could encounter at this step are uploading a file created by a version of the Document System older than DS 1.42.0000, or uploading something other than the 2023TRANSMIT.TXT file produced by the Sponsor Reporting Utility. If you have any questions about an error message you receive, please contact DATAIR Customer Support for assistance.

You may then return to the Sponsor Reporting Menu and either upload additional Sponsor Reporting files or print a plan listing report. You can return to the Sponsor Reporting website at a later time to report additional plans or print reports

Once you have completed your Sponsor Reporting, Press the *Logout* link in the upper right corner of the page, or close the browser window.

1.11 What DATAIR Returns to My Firm

Once data has been received from all DATAIR Document System clients, we will process the data to determine if any letters are required to be sent to your adopting employers. If it is determined that any letters are required, we will email you courtesy copies of the letters and mail the letters directly to the adopting employers on our letterhead, but with your contact information listed for any questions.

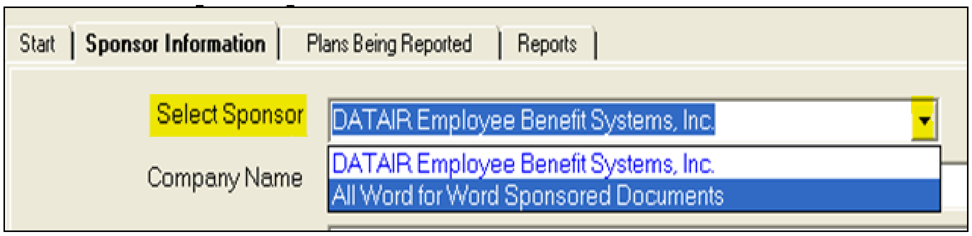
After the Sponsor Reporting process is complete, you will be billed for all active plans with an effective date on or before 01/01/2024, reported by your firm. Please expect to see this reflected on your January 2024 or February 2024 invoice.

1.12 Additional Instructions for Word-for-Word Adopters

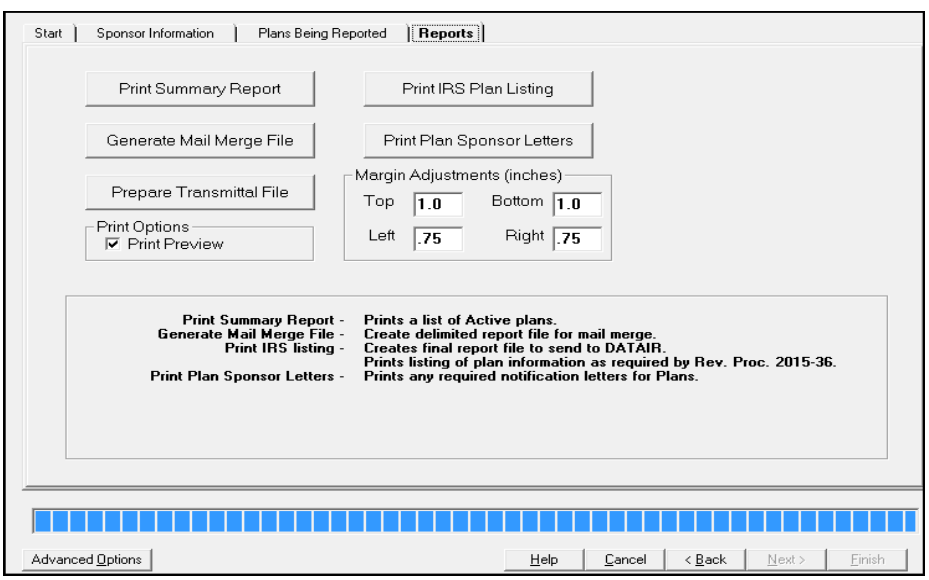
Word-for-Word Adopter is the term under IRS Revenue Procedure 2017-41 for a firm that has reregistered the documents in their own name. IRS Revenue Procedure 2017-41 requires that Word-for-Word Adopters maintain a current list of all employers who have adopted and maintain plans they sponsor and be able to produce it upon demand by the IRS. Additionally, they are required to notify each employer who has adopted a plan of changes made to the document, or of amendments required. The Sponsor Reporting process allows you, as a Word-for-Word Adopter, to comply with the above requirements.

Remember, you are still required to report to DATAIR, even if you have no plans under DATAIR's sponsorship. By reporting to DATAIR, you will be confirming that you have no plans under DATAIR's sponsorship. **Thus, you will run the Sponsor Reporting utility twice: Once with DATAIR as the sponsor to verify you have no plans with DATAIR listed as the sponsor, and once as a Word-for-Word Adopter, with your firm as the sponsor to generate a list of your active plans.**

Word-for-Word Adopters will run the Sponsor Reporting Utility, essentially following the above instructions with the following changes:



After starting the Sponsor Reporting Utility, and clicking <Next> to pass the opening screen. On the Sponsor Information screen, select your firm as the document sponsor. Confirm your company name, address, phone, and contact information. Any fields with missing required information will be highlighted in red. Then, as you complete the process, you will see additional options, available for Word-for-Word Adopters.



The Word-for-Word Adopters' reports are:

- IRS Plan Listing - a hard copy list of active plans sorted by plan type suitable for the IRS.
- Plan Sponsor Letters - generates sample letters to comply with the recordkeeping and notification requirements under IRS Revenue Procedure 2017-41.

Appendix - Frequently Asked Questions About Sponsor Reporting

1) I did not receive an email confirmation; how do I know if my plans were reported?

If you did not receive an email verification, you should first verify if the Sponsor Reporting file was successfully transmitted by selecting option 4 - *View Report of plans reported for 20XX (Current Reporting Period)* under Step 1 on the DATAIR Sponsor Reporting website (datair.com/SR). A listing will verify that the plans were received. If the plans were transmitted successfully, you should go back to the Sponsor Information Tab of the Sponsor Reporting Utility under the Activities section of the document system and verify the email address as well as check your spam and junk folders.

2) I have plans on multiple computers with different plans. How does the Sponsor Reporting Utility handle this?

Run the Sponsor Reporting Utility on each machine and upload each file to the Sponsor Reporting website, selecting option 2 - *Upload Sponsor Reporting Data File - **New**/**Append** Additional Records/**Update** Existing Records* under Step 1 for each additional filing. This will create a cumulative list and reporting of all your plans.

Don't forget to view the list of reported plans while on the Sponsor Reporting website to verify the cumulative list is correct by selecting option 4 - *View Report of plans reported for 20XX (Current Reporting Period)* under Step 1.

3) I am a telecommuter site. Do I need to report my plans?

Yes, all licensed sites must report their plans. If all of the plans are being reported from the main site, then the telecommuter should select option 1 - *I have no DATAIR-sponsored IRS Pre-Approved Plans to Report* under Step 1.

4) Is there an easy way to sort the plan list for reviewing?

Yes, the plan list can be sorted by clicking on any of the headers under the *Plans to Be Reported* tab. Clicking once will sort in Ascending to Descending order, clicking again will reverse the order. The Plan Summary Report will print the plans in the sorted order.

5) How do I know which plans need correction?

The plan with missing information will be highlighted in grey. The specific item needing corrected will be highlighted in red. You can print a plan list in order to make correction.

6) To make corrections, do I have to leave Sponsor Reporting?

No, you can have both the Document System and Sponsor Reporting running at the same time. You can switch between them to make corrections, and use the *Refresh* button on the Sponsor Reporting Utility to re-load the corrected data.

7) Do I need to report a plan that is no longer on a DATAIR document or has terminated?

Yes, plans that have become inactive in the last three (3) years need to be reported. Make sure you have updated your Plan Info and Document Info Tabs with the correct status and inactive date.

8) **I transmitted my reporting information, and then found some more plans. What do I do?**
You can re-run the Sponsor Reporting Utility to create a new reporting file to correct a previous filing. When you upload the new reporting file on the Sponsor Reporting website, you have the option of <u>replacing (select option 3)</u> or <u>appending (select option 2)</u> your previous filing.

9) **Do I need to report my volume submitter plans?**
Yes, all plan types need to be reported

10) **Do I need to report my 403(b) plans?**
Yes, but only the 403(b) plans that are PPA Version 3. Prior versions 1 & 2 as well as the IRS model are not the IRS pre-approved document and do not need to be reported.

11) **I am a Word-for-Word Adopter. Do I need to report my plans?**
No, as a Word-for-Word Adopter, you are required to keep all of the plan information on file and available for the IRS per Revenue Procedure 2017-41. You may still use Sponsor Reporting to prepare a list of all your plans and verify that you are in compliance. If ALL of the plans being reported are Word-for-Word plans, select option 1 - *I have no DATAIR-sponsored IRS Pre-Approved Plans to Report* on the Sponsor Reporting website.

Note, you should still submit the Plan Provision Survey portion of Sponsor Reporting to include your client's plan options for any future document redesigns.

12) **I am a Word-for-Word Adopter and submitted my plans. Will I be charged for those plans?**
No, if any plans are submitted as Word-for-Word, they will not be included in the fee. As a Word-for-Word Adopter, you are required to keep all of the plan information on file and available for the IRS per Revenue Procedure 2017-41. You may still use Sponsor Reporting to prepare a list of all your plans and verify that you are in compliance.

13) **Do I need to provide my plan data for the Plan Provision Survey?**
No, this is entirely optional. However, this information is used to enhance future documents and choices, determine where to consolidate plan types & options, re-draft sections, or eliminate options & features, based on the provisions that exist within your clients' plans. If you wish to opt out of the Plan Provision Survey, you may do this by removing the checkmark for *Include Plan Provision Survey* option under *Advance Options* in the Sponsor Reporting Utility.

If we do not receive a transmittal from your firm with the Plan Provision Survey, the options that are important to your clients might not appear in future document versions, simply because we are unaware of how many plans select that option.

14) **Does the Plan Provision Survey include any confidential or client information?**
No, there is no plan or sponsor specific information reported. **ONLY** the **checkbox** selections will be extracted and transmitted during this plan provision survey. We will NOT collect information from any text fields. For example, we will receive the indicator that the plan has semi-annual entry dates, but we will not know that the first entry date is January 1.

15) On the report, I noticed that one of my plans is showing as not registered, what should I do?

The plan needs to be registered if DATAIR is the document sponsor or it may lose reliance on our opinion and advisory letter. The plan still needs to be reported, but should immediately be registered.

16) When I go to the website, it tells me that Sponsor Reporting is closed. How do I report?

Please contact DATAIR Customer Support and manually submit the transmit file that is created. You may be assessed a late fee, but you still need to report.

17) It's past the deadline, and I just realized I didn't report. Should I still report?

Absolutely! You may be assessed a late fee, but you still need to report. If a plan is not reported to us, it does not have reliance on our opinion and advisory letters, and may be treated by the IRS as an Individually Designed document or lead to the plan's disqualification. Please contact DATAIR Customer Support to let us know you are sending it after the deadline.

Click for Prior DS Release Notes