

TPA/COMPLIANCE ADMINISTRATION ASSESSMENT



Working for America's Retirement

COMPANY NAME:

DATE:

PERSON COMPLETING:

While service agreements with specific clients may have unique provisions, please provide your general service assumptions.

EXPERIENCE/BACKGROUND

1. Are you a member of the American Society of Pension Professionals and Actuaries (ASPPA)? Yes No
2. How many locations? Please list:
3. How many plans does your firm currently support?
4. What is your typical plan size (assets and participants)?
5. Which record keeping platform(s) do you most commonly work with?
6. Which plan type(s) do you work with regularly?
401(k) 403(b) 457 NQDC Cash Balance
DB Profit-Sharing
7. Is a member of your staff the advisor of record, receiving commission or advisory fee-based compensation on any plan(s)? Yes No
8. What is your firm's client retention rate?
9. Does your firm have the following:
Error & Omission Insurance: Yes No
Cybersecurity Coverage: Yes No
10. Does your firm utilize a Client Relationship Management (CRM) software? Yes No

STAFFING/SUPPORT/SALES

11. How many staff do you have?
12. How many client-facing/consultant versus back office/call center?
13. Which credential(s) do you require your staff to have/maintain?
14. Do members of your sales team maintain those credentials?
Yes No
15. Is there a single point of contact for the plan sponsor?
Yes No

16. How many plans are your client-facing consultants responsible for, on average?

17. Do you provide advisor education?

- Yes
Yes, as needed
No

18. Do you provide customized proposals / illustrations?

- Yes No

COMMUNICATION

19. What is your policy in responding to inquiries, and how is that monitored/measured?

20. What is your standard method of communicating important plan-specific issues with clients? Automated emails

- Personalized emails Phone call Other

21. Do you typically include the advisor of the plan on all correspondence to a client? Yes No Upon request

SERVICES

22. Is plan sponsor education (e.g., the meaning of terms in their plan document, legislative changes, plan design suggestions) part of your standard service? Yes No

23. On what frequency? Annually Upon request
Upon role change As needed

24. Do you offer 3(16) services? Yes No Limited

25. How do you take revenue-sharing into account when pricing your services for a client? Full offset of fees

- Custom pricing No offset
Partial consideration Other

26. Will you price your services on a revenue-neutral basis and direct-bill the client? Yes No

27. With regard to drafting plan amendments, your fee is:

- Included in base fee
Included in document maintenance fee
Billed separately

28. With regard to plan restatements, is your fee:

- Included in base fee
Included in document maintenance fee
Billed separately

TPA/COMPLIANCE ADMINISTRATION EVALUATION

ADMINISTRATION/COMPLIANCE

Do you:

29. Perform eligibility verification prior to each entry date?*

Yes, prior to each eligibility entry date (Prospectively including deferral eligibility)

Yes, annually during compliance testing (Retroactively)

Yes, but only upon request

Yes, retroactively upon request No

30. Provide/distribute required plan notices to (or "No," do not produce)?*

	Employee	Employer	Record Keeper	No
QDIA				
Safe Harbor				
Fee Disclosure				
SAR				
Auto Enrollment				
Deferral Escalation				

31. Perform the following compliance tests:*

	Yes, included in base fee	Yes, extra charge	No
ADP			
ACP			
Top-Heavy			
Maximum Annual Addition (415)			
402(g)			
Cross-Testing			
401(a)(26) Minimum Participation			
414(s) Compensation			
410(b) Minimum Coverage			
Combined plan testing			

32. Perform the following employer contribution calculations:*

	Yes, included in base fee	Yes, extra charge	No
Year-end Match			
True-up			
Profit-sharing			
Corrective contribution			

	Yes, routinely	Yes, upon request	No
33. Reconcile contribution deposits to participant contribution records?*			
34. Prepare plan filings (Form 5500, 8955, 5330, etc.)?*			
35. Prepare and/or review distribution calculations?*			
36. Prepare and/or review QDRO analysis and process?*			
37. Speak with participants regarding loans/distributions?*			
38. Prepare and/or review participant loan calculations?*			
39. Perform missed/late deferral calculations (includ. missed earnings)?*			
40. Take the lead on any required correction filings (late deposit calculations, VCP, EPCRS, etc.)?*			
41. Work directly with the plan's auditor to resolve questions/issues?			

42. Any other information about your firm/practice you'd like to share?

*WHY IT MATTERS

Do you:

29. Perform eligibility verification prior to each entry date?

Why it matters: To ensure that all eligible workers are included in the plan – as required by law - and that ineligible workers are not unduly credited with benefits. Legally required of the plan, it is important to know that it is being done, and by whom. The more time passes without that happening, the greater the risk – and penalties – will be assessed.

30. Provide/distribute required plan notices to (or “No”, do not produce)?

Why it matters: The law requires that certain notices of rights, plan status, and requirements be delivered to participants on specific frequencies. If they aren't, legal fines and penalties result. The purpose of this section is to clarify responsibility for seeing that these are distributed, and what additional fees, if any, apply.

31. Perform the following compliance tests:

Why it matters: To help ensure that the plan's allocation of benefits meets legal requirements, that the correct individuals receive the correct amount(s) - thus preventing the need for corrective measures and penalties.

32. Perform the following employer contribution calculations:

Why it matters: The various contribution types noted may not all apply to every plan, and their frequency may vary. The purpose is to ensure that the provisions of the plan document are adhered to, since a failure to do so might involve not only fines and penalties, but plan disqualification itself.

33. Reconcile contribution deposits to participant contribution records?

Why it matters: To ensure that the amount(s) allocated to individual participant accounts match the actual dollars deposited into the plan/trust. Additionally, to ensure that contribution deposits are made to the plan/trust in accordance with legal requirements, forestalling legal fines and penalties.

34. Prepare plan filings (Form 5500, 8955, 5330, etc.)?

Why it matters: To comply with the legal requirements regarding the plan, and thus avoid fines and penalties. Each of these government filings relating to the plan must be filed with the respective agency (IRS, DOL, etc.) on a timeframe specified by law in order to avoid late filing penalties or, in some cases, plan disqualification.

35. Prepare and/or review distribution calculations?

Why it matters: To ensure that the amount(s) distributed as a loan or distribution is consistent with the vesting schedule of the

plan, in accordance with plan parameters and legal limits. Note that once distributed, recovery of overpayments can be, at best, an embarrassment, at worst, grounds for a lawsuit.

36. Prepare and/or review QDRO analysis and process?

Why it matters: A qualified domestic relations order (QDRO) is a court order – generally issued in the context of a divorce or marital dissolution that creates or recognizes the existence of an “alternate payee’s” right to receive, or assigns to an alternate payee the right to receive, all or a portion of the benefits payable with respect to a participant under a retirement plan. It is imperative that the court order be ascertained to be valid, as complying with its terms impacts plan assets, and the integrity of an individual participant account. If not done properly this amounts to a misuse of plan assets, with restitution, penalties, and potential plan disqualification at issue.

37/38. Speak with participants regarding loans/distributions and loan calculations?

Why it matters: Participants frequently fail to understand both the process, timing and/or limitations of the plan and the law with regard to their distribution options. Communication with them can be an essential component in not only ensuring that the distribution(s) are accurate, both with regard to the law and specific plan provisions, but so that participant expectations with regard to amount and timing are properly managed.

39. Perform missed/late deferral calculations (includ. missed earnings)?

Why it matters: If an error has been noted with regard to contributions (either omitted, or over-credited), timely corrective action is required in order to avoid fines/penalties and, in a worst case scenario, plan disqualification (which would involve a refund of all the contributions, and a reversal of the tax credits associated with those over the years).

40. Take the lead on any required correction filings (late deposit calculations, VCP, EPCRS, etc.)

Why it matters: To provide insights, access and answers to information necessary so that penalties and fines, as well as time allotted to the effort, can be minimized.

41. Work directly with the plan's auditor to resolve questions/issues?

Why it matters: To ensure that questions or potential problems with regard to plan operation are promptly and accurately addressed and/or corrected in accordance with government platforms and processes, minimizing lost time, effort and money.