

# Plan Administration

## System Procedures and Internal Control Questionnaire

### Purpose

EP Examiners will want to get an idea of the controls related to plan administration, including an idea of the communication between the sponsor, the 3rd party administrator and the record keeper.

### Plan Administration Responsibilities

1. What steps does the employer take to identify all members of the Controlled Group to the Plan administrator?
  - a. Identify the members of all/each Controlled Group, including any affiliated service groups members and related entities?
  - b. Does the Employer have more than one retirement/qualified plan? Yes / No
  - c. Please identify all plans, e.g. DB, Cash Balance, Profit Sharing, 401(k), ESOP, 403(b), 457(b), MP, etc for each group.
  - d. Please identify all plans whose assets have been transferred/merged/spun-off into this plan.
  - e. TABLE (Please complete for each Group Identified in 1a)

Plan Name	Plan Type	Sponsor	Plan Sponsor EIN	Number of Covered Participants	participating Employers	Collectively Bargained

For each plan please answer questions 2 through 16.

2. Is the plan individually designed? (If YES, go to 3, if NO answer below)
  - a. If the Plan a IRS pre-approved plan, what type (answer below)?
    - i. Standardized Prototype?
    - ii. Non-Standardized Prototype?
    - iii. Volume Submitter?

3. Who is responsible for determining timely amendments are done for the plan including "good faith amendments"?
  - a. How and when are the amendments to the plan communicated to all relevant parties for plan administration?
  - b. Who is responsible for keeping the Administrator/sponsor informed of regulatory changes that could impact the plan? What system is in place?
  - c. Are all plan documents (and amendments) available for all plans, including those transferred/merged/spun-off or transferred in a trust-to-trust transfer to the plans, back to the later of the last determination letter issued directly to the employer or to inception?
  
4. Is there an outside plan consultant, actuary and / or 3rd party administrator / record keeper?
  - a. Name of company:
  - b. Name of contact:
  - c. Please provide of copy of any contract?
  - d. How often is the contract updated? / Do you have a process to monitor the terms of the contract? How often does that occur?
  - e. How long has the Employer / plan used these services?
  - f. Summarize what is being supplied to the plan by the TPA, actuary, consultant or performed in-house?
  
5. Who is/are trustee(s) for the plan? Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Others:
  - a. Please identify if any of the trustees are directed trustees?
  - b. If no trustees, please clarify.
  - c. How are cash contributions traced and agreed to receipts by the Trust custodian?
  
6. Who is Custodian of Trust assets? \_\_\_\_\_ Company? \_\_\_\_\_  
Contact:
  - a. How is trust asset data maintained? Manual? \_\_\_\_\_ Computer? \_\_\_\_\_  
File/description:
  - b. How are the total trust asset data communicated to the Trustee?
  - c. Describe the reconciliation process including how errors are dealt with?
  - d. Who is responsible for reconciling Trust assets reported by the Custodian to the Plan "ledger balances"?
  
7. Who is the individual within the controlled group that is responsible for overseeing the day to day administration of the plan? Name & Title: \_\_\_\_\_

8. What is your process for determining eligibility?
  - a. Describe how the eligibility process is monitored to make sure it is working properly:
  - b. How do you communicate and notify participants the eligibility requirements?
  
9. Does the plan have automatic enrollment?
  - a. What monitoring is in place to ensure the auto enrollment is operating properly?
  
10. What is your process for determining Vesting?
  - a. Describe how "Service" is monitored to make sure vesting is properly calculated:
  - b. How are forfeitures determined and handled?
  
11. What is your process for determining allocations/accruals?
  - a. For DC Plans, describe how allocations are monitored to make sure they are done properly?
  - b. For DB Plans, describe are accruals are monitored to make sure they are done properly?
  
12. Are participant loans allowed per Plan Document?
  - a. Describe the loan and approval process and forms used:
  - b. Describe the loan default procedures and the tax reporting process?
  - c. If Qualified Joint and Survivor rules apply, what procedures are in place to ensure spousal consent is secured at the time of the loan?
  
13. What is the process for making distributions, including the plan's procedures for ensuring appropriate authorization, accuracy and timeliness?
  - a. Who is responsible for oversight of payouts regarding accuracy and timeliness? Name:                      Title:
  - b. If Qualified Joint and Survivor rules apply, what is the process for ensuring that the required spousal consent obtained?
  - c. What happens if an error is identified and how is it corrected?
  - d. What are actions taken to resolve significant errors when they are identified?

14. How are 1099Rs prepared and what procedures are in place to ensure issuance in a timely and accurate manner?
  - a. Who is responsible for preparing and issuing 1099-R? Name:  
Title:
  - b. Is this person or entity independent of the distribution authorization process?
  - c. Who is responsible for oversight to insure accuracy and timeliness of 1099-R? Name & Title:
  
15. What is the process for identifying & disclosing all reportable transactions & events, such as transaction of more than 5% of plan assets, UBI, PTs,?
  - a. Who prepares the form 5500?
  
16. If errors are found during the administrative process, what is the process for resolving such errors?
  - a. What criteria determine when errors are elevated to the Trustee?

**Summary of audit findings:**

**Conclusion as to procedures and internal controls - Plan Administration:**