

401(K) Plan Checklist



Every year it is important that you review the requirements for operating your 401(k) retirement plan. Use this checklist to help you keep your plan in compliance with many of the important rules.

If your retirement plan has more than 100 participants at the beginning of the year, it may require an audit report attached to the plan's Form 5500. Rudler PSC, performs personal, reasonably priced audit services, and with our experience and progressive paperless technology, employee benefit plan audits are performed efficiently and less intrusive to the clients we serve.

- Has your plan document been updated to reflect recent law changes?**
- Are the plan's operations based on the terms of the plan document?**
- Are all forms of compensation included or excluded correctly for all deferrals and allocations?**
- Were employer matching contributions made to all appropriate employees under the terms of the plan?**
- Has the plan satisfied the 401(k) nondiscrimination tests (ADP and ACP)?**
- Were all eligible employees identified, notified and given the opportunity to make an elective deferral election with an enrollment packet?**
- Are elective deferrals limited to the amounts allowable under the Internal Revenue Code for the calendar year (\$18,000 plus a \$6,000 catch-up in 2016)?**
- Have you deposited employee elective deferrals as soon as they can be segregated from the employer's assets?**
- Do current and defaulted participant's loans conform to the requirements of the plan document and the Internal Revenue Code?**
- Were hardship distributions made properly, according to plan documents?**
- Was proper documentation of hardship obtained from the participant?**
- Were changes in participant's elective deferrals documented properly?**

If you answered "no" to any of the questions above, you may have made a mistake in the operation of your 401(k) plan. This list is only a guide to a more compliant plan, so checking every question may not mean your plan is 100% compliant. Many mistakes can be corrected easily, without penalty and without notifying the IRS or the DOL. As a member of the AICPA's Employee Plan Audit Quality Center, Rudler PSC is at the forefront of change in audit requirements related to employee benefit plans. Contact Chris Guidugli, CPA at 859-344-2877 or cguidugli@rudler.com with questions about your plan or if your plan requires an audit.