



## Document System Version 1.19e Web Update Release Notes

DS 1.19e

DS Version 1.19.0500

November 16, 2009

### Retirement Plan Documents - New Features and Enhancements

- New Safe Harbor Contribution Annual Notice for 403(b) plans and all EGTRRA document formats
- Updated Annual Notices for automatic contribution arrangements, including ACR, EACA and QACA
- New Safe Harbor Contribution Supplemental, Reduction and Suspension Notices for 403(b) plans and all EGTRRA document formats
- Updated Multi-Plan Processing for Safe Harbor Contribution Notices for 403(b) plans and all EGTRRA document formats
- Addition of ACR / EACA / QACA Notices to Multi-Plan Processing

### Cafeteria Plan Documents - New Features and Enhancements

- New Qualified Reservist Distributions option added
- New State Children's Health Insurance Program (SCHIP) language added under HIPAA Special Enrollment Rights
- New Funding Option "Employer and No Cash-out" option added
- New Notices for the COBRA premium subsidy under ARRA added
- New Qualifying Exigency and Covered Servicemember under FMLA Leaves
- Added a separate run-out period option for terminated employees
- New "Michelle's Law" Notice and Certification of Dependent Student Status added to Cafeteria and Healthcare Reimbursement Account plan documents

### Retirement Plan Documents - Issues Addressed

#### Summary Plan Descriptions

- Revision to description of investment gain or loss to incorporate the selected Valuation Date and more fully describe the valuation process for Defined Contribution plans.
- Enhancement to all SPD references to "collectively bargained" or "union" groups to include the phrase "where retirement benefits were the subject of good faith bargaining."
- Corrections to the descriptions of a Year of Service and a Break in Service, including:
  - Adding default language when no selection is made for the definition of a Break in Service
  - Removing the redundant second sentence in the Break in Service description ("Thus, in any year ...")
  - Correcting the phrase "plan year" to refer to the appropriate computation period in the descriptions of a year of vesting service and breaks in service
- Corrections to the Money Purchase Plan SPD to refer to "employer contributions" rather than "profit sharing" in the section "What am I entitled to if I retire early?"
- Revision to the 403(b) SPD - ERISA and NonERISA for more appropriate text and punctuation in the contribution section when only one type of contribution is permitted.
- Addition of vesting language for disability to the SPD in Cash Balance Cycle D. See "In the event you qualify for Disability Retirement you will . . ."
- Modification of language under "Disability Benefits" in the SPD for Cash Balance Cycle D. See "Should you become permanently disabled as determined by the . . ."

- Addition of qualified optional survivor annuity language to the EGTRRA MP and Target IDP SPDs. Language appears when QJSA option is selected in the checklist. See “How will I receive my distribution?” This language is in the 2009 Interim Amendment. All SPDs will be updated in a future release.
- Removed redundant phrase “The following employees” from the SPD section “What individuals are not eligible for the Plan?” and removed redundant language from “Are there requirements to receive a Profit Sharing Contribution?”
- Correction to the SPD section “What happens to the account balance that I am not vested in?” for Money Purchase, Profit Sharing and Target Benefit Volume Submitter IDP plans to reflect the selection of option E9(d) regarding forfeitures supplementing contributions.
- For a 401(k) Volume Submitter IDP SPD, corrections to Safe Harbor contribution description for option D22(a)(3), which says “Safe Harbor 401(k) provisions were permitted before the Plan Year beginning \_\_\_\_\_ but no longer are.”
- Various internally identified punctuation and minor text improvements to the SPDs for 403(b), Cash Balance Cycle D, Money Purchase and Target Benefit plans.

### **Adoption Agreements and Volume Submitter Checklists**

- Correction to the EGTRRA Profit Sharing Non-Standardized Long Form Adoption Agreement to enable the selection of the actuarial assumptions associated with an age-weighted allocation method.
- Removal of improper edit checks in the Prevailing Wage area under an EGTRRA CODA Volume Submitter Adoption Agreement.
- Enabling the selection and saving of A8(a) (Matching Contributions not permitted), regardless of the options selected under item A1(o)(3) (Eligibility for Matching) under an EGTRRA CODA Volume Submitter Adoption Agreement.
- Removal of improper edit checks in an EGTRRA CODA Non-Standardized Adoption Agreement from D11 (Matching Allocation Method), which were occurring when D11(h) options were selected.
- Enabling the selection of more than one option under D2(b)(1) to b(5) Automatic Compensation Reduction provision of an EGTRRA CODA Volume Submitter Adoption Agreement. However, please note that selecting more than one option in this area is a modification to the specimen document.
- Enhancement of the wording of eligibility option A4 to accommodate immediate eligibility for the salary reduction elective contribution with a one year wait for the Employer Non-Elective Contribution
- Removal of improper edit check for the maximum percentage of Automatic Compensation Reduction for the Long Form versions of the EGTRRA CODA prototype Adoption Agreements.
- Removal of incorrect error message for option G7(f) in EGTRRA VSAA. Message read “must select G7a, G7b, or G7c.”

### **Volume Submitter IDP Documents**

- Correction to the EGTRRA Profit Sharing and Money Purchase IDP format Volume Submitter plan documents’ section 2.3.1 to reflect the options regarding a participant’s account sharing in the allocation if they die, retire, or become disabled.

### **Ancillary Documents**

Minor corrections and enhancements were made to the ancillary documents listed below.

- Removal of the “Not Licensed” message, which was appearing on ancillary GUST documents for certain subscribers.
- Added references to relevant legislation for 2007 and 2009 Interim Amendment descriptions for the Action of the Board for plans under the Volume Submitter Individually Designed Plan format.
- In the 2009 Interim and Termination Amendments, removed extra word “the” in the sentence that begins “The Plan now includes the Code section 414(d) ...”
- Minor formatting changes to the 2009 Interim Amendment.
- Correction to the printed Loan Procedure to include the contents of the custom text area for the timing of loan interest rate adjustments.
- Correction of a typographical error “as” to be “has” in the Safe Harbor 402(f) Notice.

- Correction of a typographical error “contribution” to be “benefit” in Form 5307, line 9(c)(1).

### **Safe Harbor Employee Notices**

For background information on the requirements for Safe Harbor Notices and related amendments, please refer to the attachment that follows these release notes.

With this release, we have added revised Safe Harbor Employee Notices for 403(b) and EGTRRA 401(k) safe harbor contribution plans. The new notices include:

- Annual Safe Harbor Notices for “will” and “may” plans
- Supplemental Notice, confirming the safe harbor contribution for “may” plans
- Suspension Notices (covering both discontinuation and reduction), for matching as well as non-elective safe harbor contributions. For a reduction in employer contribution, you may enter custom text describing the reduced employer contribution.

The revised notices are generated for 403(b) and EGTRRA 401(k) plans only. For GUST plans, the safe harbor notices will print as they did under the prior release; they are unchanged.

The Safe Harbor Employee Notice screen appears under Employee Communications, and may be printed from the documents window, batch print, or multi-plan operations.

**Please note: in order to generate a valid notice, you must ensure that the adoption agreement or checklist screens, as well as the Safe Harbor Employee Notice screen are properly completed.**

### **ACR/EACA/QACA Automatic Enrollment Notices**

We have added Automatic Enrollment Notices for plans with EACA and QACA features, as selected on the 2009 Interim Amendment. We also updated the Automatic Enrollment Notice for plans with an ACR (Automatic Compensation Reduction) feature, as indicated in the Adoption Agreement or checklist.

The Automatic Enrollment Notice screen appears under Employee Communications. Each notice may be printed from the documents window, batch print, or multi-plan operations.

### **Multi-plan Processing**

Updated notices, including:

- Annual 403(b) and 401(k) safe harbor notices for “will” and “may” plans
- Supplemental notice, confirming the safe harbor contribution for “may” plans
- Safe harbor contribution suspension notices
- Annual Auto Enrollment (ACR/EACA/QACA) notices are now part of Multi-plan Processing.

The following section provides a summary of the changes to Multi-plan processing for Safe Harbor Plans and Auto Enrollment (ACR/EACA/QACA) plans.

For additional information on Multi-plan processing, please refer to the release notes for DS Web Update 1.16. You will find those, and other release notes, under the Help menu.

## Safe Harbor Plan Multi-plan Processing

We removed the selection of type of safe harbor plan from the “Plan Filter” tab.

With this release, your selections on the Safe Harbor Employee Notice screen determine the type of notice to be generated.

**Multi-Plan Operations**

Plan Filter | Select | Action | Status

Plan Type:  Pension  
 Fringe Benefit/Welfare

Plan Sub Type:  Money Purchase  
 Profit Sharing  
 401(k)  
 403(b)

Document Version:  ALL  
 GUST  
 Post-GUST  
 EGTRRA

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

Document Type:  ALL  
 DC-Prototype - Long Form (Non-Standardized)  
 DC-Volume Submitter - IDP Format  
 DC-Individually Designed

Document Status:  ALL  
 Proposal  
 Active  
 Active, Change in Document Sponsor

Effective Date: / / Before

Adoption Date: / /

Safe Harbor Sort Sub Options:  
 Select All Plans  
 Select Safe Harbor Plans Only

< Previous Next > GO Cancel

In prior releases, you selected “will” or “may” plans from within the “sub options” box.

For the Annual Safe Harbor Notices, we added a Plan Year field and new notice selection options to the “Action” tab. The system will generate notices for the type of safe harbor plan you indicate on the Action tab.

NOTE: Other than the Plan Year and Distribution Date, the system will NOT force content based on the multi-plan operations selection.

The contents of the notice will be based on the selections made in the adoption agreement / checklist and the Safe Harbor Employee Notice screen.

**Multi-Plan Operations**

Plan Filter | Select | Action | Status

8 Plans Selected

Print 8905 Forms  
 Print Annual Safe Harbor Notices  
 Print Annual Auto Enrollment Notices  
 Print Plan Listing  
 Print 2009 Core Amendments

Safe Harbor Notice Options

Plan Year: 12/01/2009

Distribution Date: 11/27/2009

Print Plans with Match Elections  
 Print Plans with NonElective Elections  
 Print Plans with Maybe Elections  
 Print Plans Confirming Non-Elective  
 All Selected Plan without date changes

< Previous Next > GO Cancel

If any of the plans you have selected do not match the criteria for the Safe Harbor Notice option you elected, you will see a warning message on the Status tab.

In this example, we selected “Print plans with Match Elections.” Notice the message that prints for the plans with non-elective contributions.

**Multi-Plan Operations**

Plan Filter | Select | Action | Status

Print Annual Safe Harbor Notices

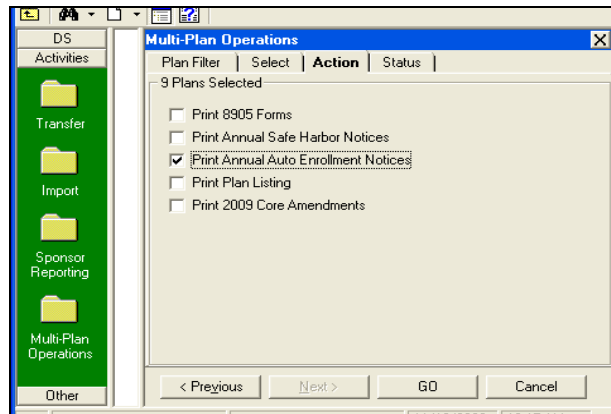
403	36-3333333	003	403 Default & Company, Inc. Plan - printed
EDefault	36-3333333	001	EDefault & Company, Inc. 401(k) Plan - Does not match selected Safe Harbor Notice Option
KNSLFE	36-3333333	001	KNSLFE & Company, Inc. - printed
KNSL-G	36-6666666	001	KNSL-G Plan and Trust - Does not match selected Safe Harbor Notice Option - NOT PRINTED
KNS-SF-E	36-3333333	001	KNS-SF-E Plan and Trust - printed
KSLB	36-6666666	015	KSLB Plan and Trust - Does not match selected Safe Harbor Notice Option - NOT PRINTED
KVSA-SH	36-3333333	001	KVSA-SH Plan and Trust - Does not match selected Safe Harbor Notice Option - NOT PRINTED
KVSDP-SH	36-3333333	001	KVSDP-SH Plan and Trust - printed

Done

## Annual Auto Enrollment Notice Multi-plan Processing

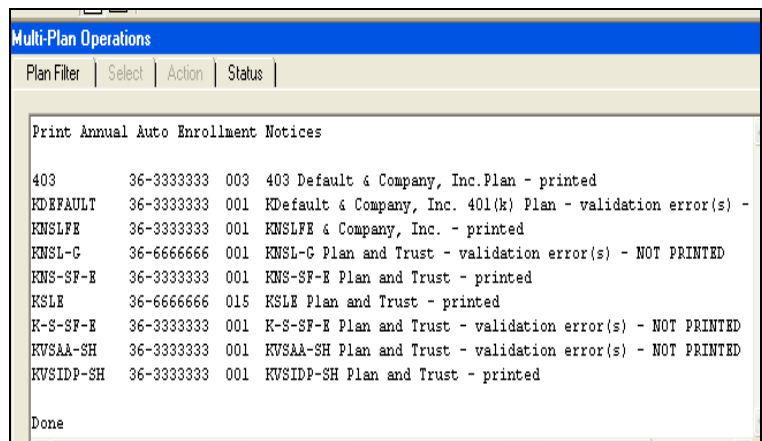
To generate ACR/EACA/QACA Annual Notices, you will choose the "Print Annual Auto Enrollment Notices" option from the Action tab.

The type of Automatic Enrollment Notice to be printed (ACR, EACA, or QACA) is determined by the option selected on the Automatic Enrollment Notice screen under the Employee Communications window.



Please note the validation messages in the example Status tab.

For those four plans, the ACR sections of the Adoption Agreement or checklist or the EACA and QACA sections of the 2009 Interim Amendment have not been completed for an Auto Enrollment plan.



## LOOKING AHEAD – PLANS FOR FUTURE DS RETIREMENT PLAN DOCUMENTS RELEASES

### EGTRRA DB Plan Restatement Progress

Anticipated Timing: First Quarter 2010

The IRS has issued preliminary approval on DATAIR's EGTRRA DB Prototypes. We expect to receive preliminary approval on the EGTRRA DB Volume Submitter documents, shortly. Testing of all DB checklists, adoption agreements, core documents, trusts, and SPDs is currently underway and ongoing.

At the ASPPA annual conference, the IRS stated that they have not settled on the length of the EGTRRA restatement period for DB plans. They indicated that it may be shorter than two years given far fewer plans that need to be restated. They also indicated that they were working toward getting the opinion/advisory letters out to document sponsors in the first quarter of 2010, but an exact target date had not been set. The Revenue Procedure opening the Determination Letter program and setting the remedial amendment period date will likely be issued coincident with the opinion/advisory letters being released to document sponsors.

We expect to issue the first system release that includes EGTRRA DB plans during the first quarter of 2010, after the IRS issues the opinion/advisory letters.

## **Cafeteria Plan Documents - Issues Addressed**

- Minor corrections to the Cafeteria Plan Document and Checklist
- Minor corrections to HRA Plan Document and Checklist

## **Laws That Affect Cafeteria Plans**

### ***Qualified Reservist Distributions***

Health FSAs may, but are not required to, permit certain employees who are ordered or called to active duty in the military to receive a distribution (called a “qualified reservist distribution”) of all or a portion of their health FSA account balances.

### ***The HIPAA Special Enrollment Rights***

The Cafeteria Plan Document has been updated to address the new special enrollment events that were added by the Children’s Health Insurance Program Reauthorization Act of 2009. Effective April 1, 2009, special enrollments are available as a result of a loss of eligibility for Medicaid or for coverage under a state children’s health insurance program (SCHIP) and as a result of eligibility for a state premium assistance subsidy under the plan from Medicaid or SCHIP.

### ***COBRA Premium Subsidy Under ARRA.***

The American Recovery and Reinvestment Act of 2009 (ARRA) created rights to COBRA premium assistance for employees (and their families) who are involuntarily terminated between September 1, 2008 and December 31, 2009. A premium subsidy is available for certain assistance eligible individuals for periods of coverage beginning on or after February 17, 2009—generally March 1, 2009.

### ***FMLA Regs Expand Upon Qualifying Exigency & Covered Servicemember Leaves***

The Cafeteria Plan Document has been updated to include the two new types of leave that covered employers are required to provide for eligible relatives of servicemembers: qualifying exigency leave and covered servicemember family leave.

Under the first new type of leave, qualifying exigency leave, an eligible employee is entitled to take up to 12 workweeks of leave during any 12-month period for a “qualifying exigency” arising because the employee’s spouse, son, daughter, or parent is on active duty (or has been notified of a call or order to active duty) in the Armed Forces in support of a “contingency operation.” The DOL’s final regulations define a qualifying exigency to include short-notice deployment; military events and related activities; child care and school activities; financial and legal arrangements; counseling; rest and recuperation; post-deployment activities; and other activities agreed upon by the employee and employer. The regulations also define other key terms, such as “next of kin of a covered servicemember” to help in administering the servicemember leaves.

Under the second new type of leave, servicemember family leave, an eligible employee who is the spouse, son, daughter, parent, or next of kin of a covered servicemember is entitled to take up to 26 workweeks of leave during a 12-month period to care for the servicemember.

### ***Michelle’s Law***

Cafeteria and Healthcare Reimbursement Account plan documents have been updated to address the Notice and Certification of Dependent Student Status requirements of HR 2851 (“Michelle’s Law’). This law is effective for plan years beginning on or after October 9, 2009. Thus, for calendar year plans, it is effective January 1, 2010.

Michelle’s Law provides for the continued coverage of dependent students who lose student status when they leave school due to a medically necessary leave of absence. Under this law, if the plan or insurance provider requires a certification of student status in order to extend coverage during the medical leave of absence, then the plan must provide a notice to the plan participant that describes the rules regarding continued coverage.

## Safe Harbor Plans

### Summary of Notice Requirements under IRC regulations 1.401(k)-3 and 1.401(m)-3

The following is a summary of our understanding (as of the date of this release) of the notice-related requirements for Safe Harbor Plans (SHP), as provided under the 1.401(k)-3 and 1.401(m)-3 regs and proposed regs in the areas of:

- Annual Notices for “will” and “may” SHPs
- Supplemental (Follow-up) Notices for “may” SHPs
- Notices and amendments for reducing or discontinuing safe harbor contributions

Please note that the SHP notice requirements apply to IRC section 403(b) plans, as well as 401(k) plans.

#### “Will” and “May” SHPs

A SHP can provide that matching contributions and/or non-elective contributions **will** be made, according to a formula that satisfies SH requirements.

Alternatively, an employer may established a SHP under the “flexible adoption method” (aka “**may**” or “maybe”). Under this method, the SH contribution, if made, must be a non-elective contribution of at least 3% of compensation.

The contents and timing for annual notices are essentially the same for “will” and “may” SHPs.

If the employer decides to make the SH contribution to a “may SHP,” eligible employees must receive a supplemental notice, though, disclosing the amount of the SH contribution. (Please see the **Supplemental Notices for “may”** section below.)

#### Annual Notices - Timing

**Examples of Latest Possible Distribution Dates for Annual Notices**

SHP Situation	Latest Permitted Date for Annual Notice Distribution
Calendar Year plan year, Annual Notice to all participants	Distribute by December 1
New SHP, short Plan Year, initial Annual Notice	Distribute before cut-off date for salary deferral elections for the first pay period within the short Plan Year
New SHP, with the shortest permitted initial Plan Year, initial Annual Notice (e.g. October 1 for a Calendar Year Plan)	Distribute per the above rule, e.g. late September, or perhaps early October
Newly eligible participants	Distribute before cut-off date for salary deferral elections for the first pay period covering the Entry Date

#### Explanation of Annual Notice Distribution Timing Requirements

##### Deemed Satisfaction of Timing Requirements

To be deemed to have satisfied the annual notice requirements, participants in a SHP must receive the annual notice at least 30 days (and no more than 90 days) before the beginning of each plan year.

In the case of a new plan, or for a newly eligible participant, the notice must be distributed no more than 90 days before employees become eligible, and no later than the date of eligibility.

### General Rule - Timing Requirements

For a newly established SHP, or for a plan with immediate participation upon hire, it might not be possible to distribute the annual notice on or before the date of eligibility. In that case, we would look to the general rule.

The general rule under regulation is that the notice must be distributed

“...within a reasonable period before the beginning of the plan year (or, in the year an employee becomes eligible, within a reasonable period before the employee becomes eligible). The determination of whether a notice satisfies the timing requirement of this paragraph ... is based on all of the relevant facts and circumstances.”

As participants have the right to defer compensation from the date of entry into the plan, the notice must be distributed before the pay date for the payroll period that includes the plan entry date.

### Annual Notice - Contents

The EGTRRA document compliant Annual Notice, added with this release, as well as the GUST document version of the Annual Notice, comply with the requirements of Reg 1.401(k)-3(d)(2) regarding Annual Notice contents.

The following chart outlines each requirement and provides the location of the required information in each version of the notice.

Required Annual Notice Contents	Location in EGTRRA Notice	Location in GUST Notice	Notes
(A) The safe harbor matching contribution or safe harbor non-elective contribution formula used under the plan (including a description of the levels of safe harbor matching contributions, if any, available under the plan)	What is my Employer's Safe Harbor Contribution?	Employer Safe Harbor Contributions	
(B) Any other contributions under the plan, and the conditions under which such contributions are made. (i.e. additional Safe Harbor Matching Contributions; non-elective contributions to another plan or matching contributions on account of elective contributions or employee contributions under the plan, including the potential for discretionary matching contributions.	Will I be eligible for any other Employer contributions?	Additional Safe Harbor Matching Contributions  Other Employer Contributions	For non-SH contributions, both the GUST and EGTRRA Notices refer to the SPD
(C) The plan to which safe harbor contributions will be made (if different than the plan containing the cash or deferred arrangement)	What is my Employer's Safe Harbor Contribution?	Employer Safe Harbor Contributions	
(D) The type and amount of compensation that may be deferred under the plan	What pay will be used to determine my safe harbor contribution?	Compensation	
(E) How to make cash or deferred elections, including any administrative requirements that apply to such elections	How do I make salary deferral contributions to the Plan?	Making Salary Reduction Contributions	
(F) The periods available under the plan for making cash or deferred elections	How can I change what I am contributing to the Plan?	Making Salary Reduction Contributions	

Required Annual Notice Contents	Location in EGTRRA Notice	Location in GUST Notice	Notes
(G) Withdrawal and vesting provisions applicable to contributions under the plan	When can I take my contributions out of the Plan?	In Service Distributions, Loans, and Hardship Withdrawals	
	When will my account be vested and available to me?	Vesting of Employer Non-Elective Contributions  Vesting of Employer Matching Contributions (not ADP or ACP Safe Harbor Matching Contributions)  Top-heavy vesting options of Employer Matching Contributions  Vesting of Additional Safe Harbor Matching Contributions	The EGTRRA version of the notice describes vesting in Elective and SH contributions, with reference to the SPD for further information.
(H) Information that makes it easy to obtain additional information about the plan (including an additional copy of the summary plan description) such as telephone numbers, addresses and, if applicable, electronic addresses, of individuals or offices from whom employees can obtain such plan information	Where can I find more information about the Plan?	Additional Information	

### Supplemental (Follow-up) Notices for “may” SHPs

In general, SHPs must operate for a full 12-month plan year, with limited exceptions for the initial plan year during which the Safe Harbor Contribution provisions are effective. Under SHP regulations, however, it is possible to use the flexible adoption method, enabling the employer to decide as late as 30 days before the last day of the plan year to make a non-elective SH contribution.

To be eligible for the “may” approach, the plan must:

- Use the current year testing method, for non-safe harbor years
- Provide an annual notice, as described above, that also discloses the employer’s right to amend the plan to provide the non-elective SH contribution and informs the participants of the right to receive a supplemental notice
- Be amended and provide the supplemental notice no later than 30 days before the last day of the plan year, for any year in which the SH contribution will be made

The supplemental notice requirement may be satisfied by providing either a “will” Annual Notice or a brief supplemental notice that describes the contribution that will be made.

The “Safe Harbor Notice” screen gives you the option of printing either the full Annual Notice with “will” language or a brief supplemental notice that provides the “will” language. To print a full Annual Notice with “will” language, the SH contributions provisions must be included in the adoption agreement or checklist for the plan.

## Notices and amendments for reducing or suspending safe harbor contributions

A SHP may be amended to reduce or suspend the employer's SH contribution, provided that the amendment process satisfies the requirements of proposed reg 1.401(k)-3. Once the plan is amended, it is no longer a SHP and will be required to meet the non-discrimination testing requirements for the entire plan year.

The timing for the amendment process is driven by the date the required suspension notice is delivered to participants.

### Example Timing for SHP Suspension Amendment

SHP reduction or suspension event	Example timing	Notes
Date notice is delivered	02-02-2010	The date the notice is delivered drives the other dates
Earliest date for suspension or reduction in SH contributions	03-03-2010	No earlier than 30 days after the notice is delivered
Effective date of amendment	03-03-2010	Same as the earliest date for suspension or reduction in SH contributions
Date amendment is adopted	no later than 03-03-2010	Any date on or before the effective date of the amendment

### Non-Elective SH Contributions - Substantial Business Hardship Requirement

In order to amend a SHP to reduce or suspend a non-elective SH contribution, the employer must have incurred a substantial business hardship comparable to that required for a funding waiver for a defined benefit plan. The criteria cited in IRC 412(c) are:

1. the employer is operating at an economic loss,
2. there substantial unemployment or underemployment in the trade or business and in the industry concerned,
3. the sales and profits of the industry concerned are depressed or declining, and
4. it is reasonable to expect that the plan will be continued only if the funding waiver is granted.

We have included this language in the suspension / reduction amendment for SHPs with non-elective SH contributions. The business hardship requirement does not apply to SHPs with SH matching contributions.

### Additional SHP Suspension Amendment Requirements

The suspension amendment must provide that:

- the effective date of the amendment is no earlier than the later of
  - 30 days after eligible employees are given the required notice, or
  - the date the amendment is adopted
- all eligible employees receive a notice describing the impact of the suspension (see below)
- eligible employees are given a reasonable opportunity to change their elective deferral or other employee contribution elections
- the ADP and ACP tests will be satisfied for the entire plan year, using the current year testing method
- all other safe harbor requirements are satisfied through the effective date of the amendment (e.g. safe harbor matching contributions are made on elective deferrals contributed up to the effective date of the amendment)

In addition, once a plan is no longer considered a SHP for the plan year:

- the plan must prorate the 401(a)(17) compensation limit for that plan year, and
- the plan is subject to the top-heavy rules for that plan year

### **SHP Suspension Notice Requirements**

The Suspension Notice must be delivered at least 30 days before the effective date of the amendment, and it must disclose:

- the effective date of the amendment
- the consequences of the amendment reducing or suspending the SH contributions (e.g. elective deferrals made on or after the effective date will not be matched)
- the process for changing elective deferral or other employee contribution elections



## Document System Version 1.19 Web Update Release Notes

DS 1.19d

DS Version 1.19.0400

September 15, 2009

### **New Features and Enhancements Added:**

- Safe Harbor Contribution Suspension Amendment added for Prototypes and Volume Submitter Adoption Agreement formats;
- 402(f) Safe Harbor Notice regarding rollovers updated including language for ROTH plans.
- Cycle D for Cash Balance Plans now available.
- Target Benefit Plans along with Summary Plan Descriptions are now available.

### **Issues Addressed:**

- Board Resolution now includes the 2007 Interim Amendment. For Prototypes will print automatically. For the Volume Submitter Adoption Agreement and IDP formats, will need to enter the date;
- Year of Service for Volume Submitter IDP fixed to print the actual hours entered and not the default of 500;
- Non-Standardized Profit Sharing Plans fixed for disability to be 100% vesting. Had been referring to the vesting schedule as listed above;
- Period of Severance question removed from Prototypes and VSAA format. Was showing when elapsed time selected for Break in Service for Vesting;
- Summary Plan Description has added changes and enhancements to the language;
- See notes below for 403(b).

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### **Safe Harbor Plans**

- Safe Harbor Contribution Suspension Amendment is now available for prototype and volume submitter adoption agreement format plans. Previously, only the Volume Submitter IDP format was available.
- 402(f) Safe Harbor Notice regarding rollovers has been updated to including Safe Harbor Notice language for ROTH plans per Notice 2009-68.

### **Adoption Agreements/Checklists**

- Volume Submitter Adoption Agreement format has corrected the Graded Vesting Schedule. The sixth year was not printing.
- Volume Submitter Adoption Agreement format fixed In- service distributions for QNEC and Hardships. Language for both was printing even when these options had been selected for as no distributions;
- All document types, fixed where an initial short plan year was causing the current plan year to be shown as a short plan year.
- All document types, validations and along with check boxes have been fixed and enhanced.
- All document types, date formatting changed for better consistency in printing.

### **Summary Plan Descriptions**

- Non-Standardized Profit Sharing fixed 100% vested if disabled. The SPD was referring to the normal vesting schedule.
- Non-Standardized Profit Sharing fixed points allocations where the points were not always printing.

- Prototypes and VSAA Break In-Service language for Elapsed Time under Eligibility was causing Vesting section to print period of severance language.
- VS IDP Safe Harbor language referring to the contributions that “may” be made has corrected and removed language of the SPD that had been referencing that the Safe Harbor “will” be made.
- Target Benefit Pension Plan SPDs now available. Previously had some formulas that needed to be added.

### **2009 Interim Amendment and Termination Amendment**

- Volume Submitter IDP format corrected Hardship language in the Summary of Material Modifications to print that hardships “may” be allowed. The SMM was previously printing that hardships were allowed.
- Adoption of Board Resolution by Majority or By Unanimous Consent question added to the amendment screen.
- Date listed at the top of the amendment will be the adoption date and not the effective date. Was printing the effective date.
- Qualified Joint and Survivor Annuity language cleared up in the Summary of Material Modifications.

### **Cash Balance Cycle D**

Cash Balance Cycle D is now available. Significant changes and enhancements were made since Cycle C was released. The highlights of those changes are:

- Definition of Qualified Optional Survivor Annuity added to Definitions section plan, Part 1 Article 2.
- Government plan exemption from certain requirements. 2.1.1(b) excludes governmental plans from 401(a)(5) and 401(a)(26).
- General notice period extended from 90 days to 180 days for right to elect to defer distribution, Qualified Joint and Survivor Annuity and Qualified Pre-Retirement Survivor Annuity, see 2.5.3 and 2.5.4.
- Definition of Applicable Interest Rate changed to follow 417(e)(3) to follow section 430(h), see 3.1.2(d)(1).
- Definition of Applicable Mortality Table changed to follow 430(h), see 3.1.2(d)(2).
- Added sections 3.1.10 – 3.1.19 for new funding restrictions of 401(a)(29) for Shut Down Benefits and other Unpredictable Contingent Event Benefits, limitations of Plan Amendments increasing benefits, limitations on accelerated benefit distributions, funding short fall limitations, etc.
- Added warning language for Rollovers as Business Start-ups (ROBS) in section 3.3.1(f), “The Employer shall not violate the exclusive benefit provisions of Code section 401(a) through the transfer of the sponsorship of this plan to an unrelated taxpayer when that transfer of the sponsorship of the Plan is not in connection with a transfer of business assets, operations, or employees from the Employer to the unrelated taxpayer.”
- Now allows rollovers of Roth IRA to plan, see 3.11.3.
- Now allows direct rollover of after-tax amounts, see 3.11.3.
- Added provision for transfers to non-qualified foreign trusts and when such transfer would be non-taxable, see 3.11.4.
- Modified language in 2.3.1(b) if electing 401(a)(26) meaningful accrual option see option D2g. plan provision now says, “In no event will the allocation to the Participant’s Accumulation Account be less than the amount required to provide an Accumulation Account Balance equal to the present value of a meaningful Accrual as required in Treasury Regulation section 1.401(a)(26-3(c)(2). That accrual shall be equal to .1/2 of 1% of the Participant's Average Annual Compensation times the Participant's Years of Service.”
- Added option to class allocation formula to maximize owners 2.3.1(b) and D3f in checklist. Language added says, “The annual Pay Credit for Participants who are Owner/Shareholders as of the first day of the Plan Year shall be an amount that provides an Accumulation Account as of the last day of the Plan Year that is equal to the maximum lump sum under Section 415 that may be distributed as of the last day of the Plan Year rounded down to the nearest thousand dollar.
- Minimum Accrued Benefit and Minimum Retirement Benefit, checklist items D14 and D15, modified by using a text box to enter custom text. Previously had fixed dollar amounts along with the custom text.
- Plan’s Actuarial Equivalence, checklist D17, modified by deleting old option (a) Applicable Interest Rate option, and adding new User specified options for pre-retirement and post-retirement.
- General references and typos were corrected.

## **Core Amendments**

- GUST Volume Submitter has added a signature block for the Required Minimum Distribution and Trust for the Core Amendments.

## **403(b) Documents**

### **Issues Addressed:**

- ERISA and Non-ERISA plan types added employer eligibility requirement for 2 years of service.
- Hardship instructions added to the screen for the Adoption Agreements.
- Summary Plan Descriptions corrected and enhanced many items, including but not limited to:
  - Vesting,
  - Hardships,
  - In-Service Distribution Questions,
  - Participant loans and loan policy,
  - Does the Plan have Disability Benefits,
  - ER requirements for allocation,
  - Non-ERISA Automatic Compensation Reduction will not print if not selected.



## Document System Version 1.19c Web Update Release Notes

DS 1.19c

DS Version 1.19.0300

June 10, 2009

### **New Features and Enhancements Added:**

- Safe Harbor Contribution Suspension Amendment;
- Safe Harbor Amendment for starting Non-Elective Safe Harbor Contributions in the Volume Submitter- IDP;
- Core Amendment: Required Amendment for Cross-Tested Plans;
- Automatic database update for the changes to CODA Volume Submitter – IDP format.

### **Issues Addressed:**

- Summary Plan Description has added changes and enhancements to the language;
- See notes below for 403(b) and Cafeteria Document changes.

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### **Safe Harbor Contribution Suspension Amendment**

Amendment to cease Non-Elective Safe Harbor contributions due to business hardship. This is a good faith amendment per the proposed Treasury Regulation of sections 401(k)-3 and 401(m)-3 published May 18, 2009 in the Federal Register.

### **2009 Core Amendments**

- Included in this release is an additional amendment that DATAIR has adopted as part of the EGTRRA Defined Contribution core documents and Volume Submitter-IDP formats. This amendment has been requested by the IRS and is a clarification of the language regarding the additional contribution for a participant receiving a Top Heavy Minimum contribution or an additional amount to satisfy the gateway requirements of 401(a)4. The amount needed to satisfy gateway may not be made to another plan including the Top Heavy portion of the contribution. Each plan will print the appropriate amendments. This amendment will print as part of the 2009 Core Amendments. It may be selected from the batch print screen. As with the previous Core Amendments, a copy must be provided to each adopting employer. See the DS 1.19b Release Notes for additional information.

#### **Required Amendment for Cross-Tested Plans**

Notwithstanding anything in the Plan to the contrary, on or after June 5, 2009, the following provision shall apply to any Plan Year in which the Employer intends to rely on Treasury Regulations section 1.401(a)(4)-8 (cross testing) in satisfying Code section 401(a)(4):

In the event that the Plan is Top-Heavy for a Plan Year, any Non-Highly Compensated Employee eligible for a Minimum Top-Heavy Allocation in Subsection 2.6.1(a) of the Plan shall receive an allocation equal to the greater of the Minimum Top-Heavy Allocation or the amount determined above. Any allocation in excess to the Minimum Top-Heavy Allocation determined without regard to this provision must be made to this Plan and may not be made to another Plan in a Top-Heavy Allocation group.

### **Volume Submitter- IDP format**

- Safe Harbor Amendment for starting Non-Elective Safe Harbor Contributions in the Volume Submitter- IDP format. This amendment to be used when the Safe Harbor Maybe Notice has been provided to participants.
- Automatic database update for the changes to CODA Volume Submitter – IDP format. The last release required that the checklist first be opened for the plan before printing any documents to complete an update to the VS-IDP. Not opening the checklist first resulted in blank and incorrect Summary Plan Descriptions. DS 1.19c has eliminated the need to open the checklist prior to going to batch print. The conversion process will take a few seconds per EGTRRA CODA VS-IDP plan. There is a status bar showing the progress of the conversion, please do not interrupt the conversion process.

### **Summary Plan Description:**

- The summary plan descriptions now have a third election for printing the required deadline for deposits of elective deferrals on the Summary Plan Description form. Add option for “As soon as reasonably possible, following the guidelines issued by the Department of Labor.”
- Elective deferral deposits for the 7<sup>th</sup> business day have now removed the “month” wording.
- Hardship removed language about “other facts & circumstances” and “if plan permits”
- In-Service language for rollovers now corrected in the CODA Volume Submitter-format. Previously the SPD was printing an incomplete line.
- Question “How is the Safe Harbor Contribution determined?” corrected in the CODA Volume Submitter – IDP format. It had been printing an incomplete line regarding additional contribution being made to another plan.
- Question “What are my beneficiaries entitled to if I die?” changed the wording from termination to death where it was appearing for the Volume Submitter - IDP
- More wording and formatting changes to smooth the SPD language.

### **Summary of Material Modifications (SMM)**

- Now provides options for also including the 2009 Core Amendments, 2009 Interim Amendments and the 2009 Termination Amendments.

### **Action by Board of Directors/Employer**

- Now provides options for also including the 2009 Core Amendments, 2009 Interim Amendments and the 2009 Termination Amendments.

### **403(b) Documents**

#### **Issues Addressed:**

- Loan Procedures now printing as a stand alone document.

### **Cafeteria Documents**

#### **Issues Addressed:**

- Plan Trustees now printing on the Checklist.



## Document System Version 1.19 Web Update Notes

DS 1.19b

DS Version 1.19.0200

May 22, 2009

### New Features and Enhancements Added:

- Profit Sharing Volume Submitter- IDP format
- Money Purchase Volume Submitter- IDP format
- Summary Plan Descriptions for all plan types
- 2009 Defined Contribution Termination Amendment
- 2009 Defined Benefit Termination Amendment
- 2009 Defined Contribution Interim Amendment
- 2009 Defined Benefit Interim Amendment
- Core Amendments: 2009 Waiver of Required Minimum Distribution along with Participant Election
- Core Amendments: 401(k) Prototype and Volume Submitter 100% deferral election
- Core Amendments: 401(k) Short Form Prototype allows for ROTH
- DATAIR Trust amendment on Trustee Responsibility
- Multiple Employer Appendix

### Issues Addressed:

- Summary Plan Description has many changes and enhancements incorporated based on client comments.
- Summary Plan Description has many areas refined and edited for selected plan provisions.
- In-Service Distributions for the CODA Volume Submitter- IDP format divide out Elective Deferrals to allow for including or excluding ROTH deferrals as part of the distribution.

### Volume Submitter- IDP format

- Profit Sharing now available. The checklist and the Plan Document can now be completed and printed.
- Money Purchase now available. The checklist and the Plan Document can now be completed and printed.
- In-Service Distributions for the CODA Volume Submitter- IDP format divided out Elective Deferrals to allow for including or excluding ROTH deferrals as part of the distribution. Distribution Tab, question 7b2. and b3:

#### 7. In Service Distributions (Section 2.5.12)

- a. No In Service Distributions are permitted

**If you did not select item a, complete EITHER item b OR items c, d, AND e**

- b. If the Participant has attained age 59½, In Service Distributions of the following contributions are permitted:

- b.1. All Accounts
- b.2. Elective Deferrals but not Roth Deferrals
- b.3. Elective Deferrals including Roth Deferrals
- b.4. ADP Test Safe Harbor Contributions
- b.5. Qualified Non-Elective Contributions
- b.6. Qualified Matching Contributions (Matching Contributions used in ADP Test)
- b.7. Non-Elective Contributions
- b.8. Matching Contributions (except Qualified Matching Contributions)
- b.9. ACP Test Safe Harbor Matching Contributions
- b.10. Rollovers
- b.11. Voluntary Contributions

- Break in Service for plans with points allocations or Credited Service. If this does not apply to your plan, do not check the boxes. Checking the boxes will produce a question on the Summary Plan Description. Eligibility/Service tab, question 8c.

## 8. Break in Service

- a. A Break in Service for plan eligibility purposes:
  - a.1. Less than \_\_\_ Hours of Service (500 or less)
  - a.2. A "one year period of severance" under Elapsed Time Method
- b. A Break in Service for Vesting purposes:
  - b.1. Less than \_\_\_ Hours of Service (500 or less)
  - b.2. A "one year period of severance" under Elapsed Time Method
- c. A Break in Service for points allocation plans or plans with Credited Service schedules:
  - c.1. Less than **500** Hours of Service (500 or less)
  - c.2. A "one year period of severance" under Elapsed Time Method

## 2009 Core Amendments

Included in this release are four amendments that DATAIR has adopted as part of the core documents. These amendments will print at the end of the base documents and trust agreements. They may also be selected from the batch print screen. Each plan will print the appropriate amendments.

**2009 Waiver of Required Minimum Distribution for Defined Contribution Plans along with Participant Election.** This amendment is for all GUST, Post-GUST and EGTRRA prototype and volume submitter defined contribution plans. The required minimum distribution is waived for the 2009 calendar year. The amendment includes a summary of material modifications and a participant election if the participant still wishes to take the distribution. The Participant Election can only be printed from the batch print.

**Catch-up for EGTRRA 401(k) Prototype and Volume Submitter, Adoption Agreement and IDP formats.** This amendment provides that Catch-up Contributions for a Participant for a taxable year may not exceed the lesser of: (1) the dollar limit on Catch-up Contributions under Code section 414(v)(2)(B)(i), or (2) when added to the Participant's other Elective Deferrals, one hundred percent 100% of the Participant's Compensation for the taxable year that is available after all other withholdings.

**EGTRRA 401(k) Short Form Prototype allows for ROTH.** This amendment is for the short form prototypes both 401(k) standardized and non-standardized. The base document previously stated that ROTH deferrals were allowed if elected in the adoption agreement. A new paragraph has been inserted into the base document stating that short form prototypes will always have ROTH deferrals available.

**DATAIR Trust Amendment.** This amendment affects the DATAIR trust for all documents; GUST, Post-GUST and EGTRRA prototypes and volume submitters for defined contribution and defined benefit, including Cash Balance plans. The amendment is an insertion or replacement of language regarding the Trustees' responsibility to collect delinquent contributions. It does not affect the 403(b) documents. If you are using a third-party trust, be aware that many of them also lack this language. We will be advising them of this issue and will keep you apprised of future developments.

**Note for GUST Volume Submitter documents for defined benefit plans and defined contribution plans:** The DATAIR Trust Amendment and the 2009 Waiver of Required Minimum Distribution must be individually signed by the Employer. DATAIR can not amend on the behalf of the sponsors for volume submitter plans pre-EGTRRA.

If you are a Word-for-Word sponsor of one or more of the affected documents, you are required to provide copies of these amendments that have been adopted on behalf of all adopting employers. For documents adopted under DATAIR's name, we will notify each adopting employer of these amendments using the data you have provided through the annual sponsor reporting process and the EGTRRA Document Registration process.

## Summary Plan Description:

- The summary plan descriptions now have an election for printing the required deadline for deposits of elective deferrals on the Summary Plan Description form. The deadline is no later than 7 days for small plans and 15 for large plans. The default if not checked will print 7 days.

**Deadline for Deferral Contribution Deposits:** Deferrals must be deposited by the earliest of the date contribution can reasonably be segregated or

- a.  7th business day of the month following the month the deferral was withheld (small plan safe harbor for plans with 100 Participants or less)
  - b.  the 15th business day of the month following the month the deferral was withheld
- Smoothing of capitalization through out the documentation.
  - Naming convention for Non-Elective to Profit Sharing and Elective Deferrals to Salary Deferrals set throughout the document.
  - Break in Service language added to all documents.
  - Removal of Top Heavy Notice. Previously the Summary Plan Description was printing a line under Top Heavy that stated the plan would provide a notification in Top Heavy years.
  - Clarified wording for employees acquired in a 410(b)(6)(C) transaction.
  - More interaction with not printing sources that the plan does not provide for; after-tax, match, profit sharing.

## 2009 Termination Amendment for Defined Benefit and Defined Contribution Plans:

This termination amendment is being provided to enable you to bring a plan into compliance at its termination. The amendment includes the Pension protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART), the Emergency Economic Stabilization Act of 2008 (EESA), and the Workers, Retiree, and Employer Recovery Act of 2008 (WRERA).

WARNING: This amendment has not been pre-approved by the Internal Revenue Service. In order to be assured of the plan's compliance with the Internal Revenue Code and Treasury Regulations at the time of the plan's termination, a request for a determination letter (Form 5310) must be filed with the Internal Revenue Service.

## The Adoption Section

The effective date should generally be the first day of the 2009 plan year. Special effective dates are provided where needed.

Some of these provisions may have already been implemented by the plan. The options and effective dates chosen in the adoption section should coincide with the plan operation. If a PPA checklist was completed, please review it for any conflicts.

## Defined Contribution Plans

1. Optional: Roth IRA  
The election to allow Roth IRA Direct Rollovers
2. Optional: After-Tax Amounts  
The election to allow the Direct Rollover and Participant rollover of after-tax amounts to 403(b) plans. This section also contains the election to accept the Rollover of after-tax amounts.
3. Optional: Non-Spousal Beneficiary.  
The election to allow an early effective date for the Non-Spousal Beneficiary direct rollover option. (Optional, for distribution after December 31, 2007. It is a required provision for Plan Years beginning on or after January 1, 2010.)
4. Accelerated Vesting Schedule to Employer Contributions or Non-Elective  
Change in vesting schedule required by PPA to be at least as favorable as the 2-20 or the 3 year cliff vesting. Also includes the option to apply to all employer balances or new balances after the effective date.

5. Optional: Qualified Disaster Recovery Assistance Distribution  
This section contains:
  - Increase the maximum distribution for those in a Presidentially-declared disaster area.
  - Increase the maximum loan amount for those in a declared disaster area.
  - Extends the repayment period for loans to those in a declared disaster area.
6. HEART Act:  
Options to permit accruals while one Qualified Military Service. Also contains option to consider Differential Wage Payments as compensation for plan purposes.
7. Optional: Eligible Automatic Contribution Arrangement (EACA)
8. Optional: Qualified Automatic Contribution Arrangement (QACA)

### **Defined Benefit Plans**

1. Optional: Roth IRA  
The election to allow Roth IRA Direct Rollovers
2. Optional: After-Tax Amounts  
The election to allow the Direct Rollover and Participant rollover of after-tax amounts to 403(b) plans. This section also contains the election to accept the Rollover of after-tax amounts.
3. Optional: Non-Spousal Beneficiary.  
The election to allow an early effective date for the Non-Spousal Beneficiary direct rollover option. (Optional, for distribution after December 31, 2007. It is a required provision for Plan Years beginning on or after January 1, 2010.)
4. Optional: Qualified Disaster Recovery Assistance Distribution  
This section contains:
  - a. Increase the maximum distribution for those in a Presidentially-declared disaster area.
  - b. Increase the maximum loan amount for those in a declared disaster area.
  - c. Extends the repayment period for loans to those in a declared disaster area.
5. Optional: Benefit Accrual After Cessation Period.  
Plans affected by the new funding rules can elect to reinstate accruals for a period for which they were suspended due to the new funding rules.
6. Required Minimum Distribution:  
Options for Final 1.401(a)(9)-6 Final Regulation on required minimum distributions for defined benefit plans. Options selected should conform to your administration of the plan.
7. HEART Act:  
Options to permit accruals while one Qualified Military Service. Also contains option to consider Differential Wage Payments as compensation for plan purposes.

### **Summary of Material Modifications (SMM)**

An SMM is provided based on options selected in the Adoption Section of the Amendment.

### **Corporate Resolution**

A corporate resolution will print with the amendment.

### **2009 Interim Amendment for Defined Benefit and Defined Contribution Plans:**

This interim amendment for 2009 is being provided to enable bringing a plan into compliance. The amendment includes the Pension protection Act of 2006.

**WARNING:** This amendment has not been pre-approved by the Internal Revenue Service. The amendment has been drafted by DATAIR as a good faith amendment pursuant to Revenue Procedure 2007-44.

## **The Adoption Section**

The effective date should generally be the first day of the 2009 plan year. Special effective dates are provided where needed.

Some of these provisions may have already been implemented by the plan. The options and effective dates chosen in the adoption section should coincide with the plan operation. If a PPA checklist was completed, please review it for any conflicts.

## **Defined Contribution Plans**

1. Optional: Roth IRA  
The election to allow Roth IRA Direct Rollovers
2. Optional: After-Tax Amounts  
The election to allow the Direct Rollover and Participant rollover of after-tax amounts to 403(b) plans. This section also contains the election to accept the Rollover of after-tax amounts.
3. Optional: Non-Spousal Beneficiary.  
The election to allow an early effective date for the Non-Spousal Beneficiary direct rollover option. (Optional, for distribution after December 31, 2007. It is a required provision for Plan Years beginning on or after January 1, 2010.)
4. Accelerated Vesting Schedule to Employer Contributions or Non-Elective  
Change in vesting schedule required by PPA to be at least as favorable as the 2-20 or the 3 year cliff vesting. Also includes the option to apply to all employer balances or new balances after the effective date.
5. Optional: Qualified Disaster Recovery Assistance Distribution  
This section contains:
  - a. Increase the maximum distribution for those in a Presidentially-declared disaster area.
  - b. Increase the maximum loan amount for those in a declared disaster area.
  - c. Extends the repayment period for loans to those in a declared disaster area.
6. HEART Act:  
Options to permit accruals while one Qualified Military Service. Also contains option to consider Differential Wage Payments as compensation for plan purposes.
7. Optional: Eligible Automatic Contribution Arrangement (EACA)
8. Optional: Qualified Automatic Contribution Arrangement (QACA)

## **Defined Benefit Plans**

1. Optional: Roth IRA  
The election to allow Roth IRA Direct Rollovers
2. Optional: After-Tax Amounts  
The election to allow the Direct Rollover and Participant rollover of after-tax amounts to 403(b) plans. This section also contains the election to accept the Rollover of after-tax amounts.
3. Optional: Non-Spousal Beneficiary.  
The election to allow an early effective date for the Non-Spousal Beneficiary direct rollover option. (Optional, for distribution after December 31, 2007. It is a required provision for Plan Years beginning on or after January 1, 2010.)
4. Optional: Qualified Disaster Recovery Assistance Distribution  
This section contains:
  - a. Increase the maximum distribution for those in a Presidentially-declared disaster area.
  - b. Increase the maximum loan amount for those in a declared disaster area.
  - c. Extends the repayment period for loans to those in a declared disaster area.
5. Optional: Benefit Accrual After Cessation Period.

Plans affected by the new funding rules can elect to reinstate accruals for a period for which they were suspended due to the new funding rules.

6. Required Minimum Distribution:

Options for Final 1.401(a)(9)-6 Final Regulation on required minimum distributions for defined benefit plans. Options selected should conform to your administration of the plan.

**Summary of Material Modifications (SMM)**

An SMM is provided based on options selected in the Adoption Section of the Amendment.

**Corporate Resolution**

A corporate resolution will print with the amendment.

**403(b) Documents**

**New Features and Enhancements Added:**

- Summary Plan Description for 403(b) ERISA
- Summary Plan Description for 403(b) Non-ERISA

**Issues Addressed:**

- Consistent look and format set throughout the documents.
- Loan Policy re-formatted when included in Summary Plan Description. The look of the loan policy now is consistent with the rest of the Summary Plan Description formatting.

**403(b) ERISA and 403(b) Non-ERISA Adoption Agreement**

- Permissive Withdrawal does not apply to Qualified Automatic Contribution Arrangement and has been removed from option D7.g.
- Note under Special 403(b) defining a “qualified organization” has been added.
- Bonus election under Elective Deferrals added as D1.e.
- Instructions for Rollovers in H2 modified
  
- **IRS Model 403(b) Adoption Agreement**
- Added - Note under (B4) for Special 403(b) defining a “qualified organization”.
- Instructions for Rollovers and Transfers in D1 modified
- Summary Plan Description for 403(b) IRS Model has minor edits.

**Cafeteria Documents**

**New Features and Enhancements Added:**

- Qualified Reservist Distributions option
- State Children’s Health Insurance Program (SCHIP) language added under HIPAA Special Enrollment Rights
- Notices for the COBRA premium subsidy under ARRA
- Funding Option “Employer and No Cash-out” option added

**Issues Addressed:**

- Minor corrections to the Cafeteria Plan Document and Checklist
- Minor corrections to HRA Plan Document and Checklist

**Qualified Reservist Distributions**

Health FSAs may, but are not required to, permit certain employees who are ordered or called to active duty in the military to receive a distribution (called a “qualified reservist distribution”) of all or a portion of their health FSA account balances.

### **SCHIP, The HIPAA Special Enrollment Rights**

The Cafeteria Plan Document has been updated to address the new special enrollment events that were added by the Children’s Health Insurance Program Reauthorization Act of 2009. Effective April 1, 2009, special enrollments are available as a result of a loss of eligibility for Medicaid or for coverage under a state children's health insurance program (SCHIP) and as a result of eligibility for a state premium assistance subsidy under the plan from Medicaid or SCHIP.

### **COBRA Premium Subsidy Under ARRA**

The American Recovery and Reinvestment Act of 2009 (ARRA) created rights to COBRA premium assistance for employees and their families who are involuntarily terminated between September 1, 2008 and December 31, 2009. A premium subsidy is available for certain assistance eligible individuals for periods of coverage beginning on or after February 17, 2009—generally March 1, 2009.

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DS 1.19a

DS Version 1.19.0100

January 23, 2009

### **New Features and Enhancements Added:**

- Word for Word Representation for Volume Submitter AA format added to system
- New IRS Form 8821 added to system.
- 403(b) Adoption Agreement allocation of “other” added.
- Minor Enhancements to EGTRRA Board Resolution Print.
- PFEA Amendment updated to reflect new adoption date extension.
- Minor Enhancements to QDIA, and Application for Benefits forms

### **Issues Addressed:**

- IRS transmittal letter not printing for some DB Plans
- Sponsor Reporting not providing Word for Word sponsor selection in some cases
- IRS Form 8905 now picks up EGTRRA Word for Word sponsor Information
- Cash Balance Cycle C plan document will only print if licensed for Cash Balance plans.
- Minor corrections to the HRA Reimbursement form
- Minor corrections to the Sec 125 Plan Document
- Run Time Error of 727 for “Other Excluded” notepad in the Non-Standardized Prototype
- Sponsor Reporting displaying incorrect year in completion message

### **Word for Word Documents**

- IRS Form 8905 now picks up EGTRRA Word for Word sponsor Information. In cases where the sponsor was not a GUST Word for Word adopter, the Form 8905 was giving an error
- Word for Word Representation for Volume Submitter AA format added to system for application of determination letter filing.

## **403(b) ERISA and Non-ERISA**

403(b) Adoption Agreement allocation of “other” added. ERISA and Non-ERISA can now complete an “other” section in the Adoption Agreement for customized selections.

## **IRS transmittal letters**

IRS transmittal letter not printing for Defined Benefit Plans. In some situations that defined benefit transmittal letter was coming out blank. This has been corrected.

## **Worker, Retiree and Employer Recovery Act of 2008**

PFEA Amendment updated to reflect new adoption date extension. The adoption of the PFEA Amendment is has been extended until the last day of plan year beginning on or after January 1, 2009.