

2017 Contribution Limits Testing

Frequently Asked Questions

Providing Data to Envoy

When is the limits testing information due to Envoy?

Contribution and compensation data—along with completing the questionnaire—is due to Envoy no later than February 16, 2018. This will give us sufficient time to complete all necessary limits testing before the IRS deadlines.

How do I submit the data to Envoy?

Due to the sensitive nature of the information you are providing, we ask that you upload your file to our secure File Exchange by logging in at www.envoyplanservices.com.

This is the same website where you retrieve your SRA reports and upload your regular files. You will need to log in using your assigned Username and Password.

What if I don't remember my Username and Password?

Please go to www.envoyplanservices.com, click on “Login” and click on “Forgot Password.”

What format can I use to submit the contribution and compensation data to Envoy?

If you use our Common Remitter services or otherwise provide us with data throughout the year:

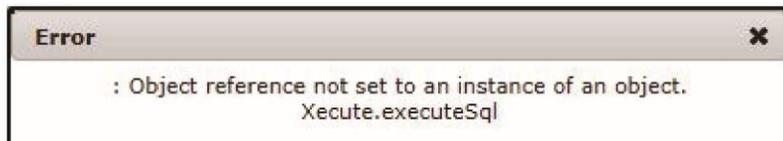
- Log in to our secure File Exchange at www.envoyplanservices.com to download the Excel 2017 contributions report that we prepared based on our records.
- Confirm that the data matches your payroll system (make adjustments to the spreadsheet as needed) and fill in the “Compensation” column. Upload the revised report to our secure File Exchange.

If you do not use our Common Remitter services:

- We prefer that you use our Excel template, which can be found at <http://envoyplanservices.com/tools.asp>.
- Click on “Envoy 2017 Compliance Testing Requirements” to download the spreadsheet.
- After you have entered your data, upload the report to our secure File Exchange.

However, we can accommodate most other formats.

Why am I getting this error when I try to upload my file to the secure File Exchange?



The file name should be 55 characters or fewer, including spaces and the file extension (for example, .xls). Also, please doublecheck that the file name has only letters and/or numbers, with no special characters such as a symbol. Please name your file in the following manner, so we will recognize it as a limits testing file: Employer Name 2017 Limits Testing.

Why do I need to provide this data to Envoy again?

Thank you for providing contribution data throughout the year. This allows us to monitor each employee's contribution totals to prevent excess contributions before they occur.

However, we collect full-year data at the end of each calendar year to make sure that our records match your payroll system. Transactions may have occurred during the year that we are not aware of, such as a refund or

additional contributions. This may result in excess contributions that need to be corrected. If your plan is audited by the IRS, it is important that you can show that accurate limits testing was conducted. Plus, this helps protect your employees in the event the IRS audits any of their personal tax returns.

Why do I need to provide compensation amounts for our participating employees?

Compensation amounts are important for Envoy to know because IRS limits testing requires the comparison of employee contribution totals against gross compensation. Employee and employer contributions cannot exceed the employee's gross compensation for the year. Gross compensation is generally Box 1 on the W-2 plus any pre-tax deductions.

What happens if I do not provide data to Envoy or respond to the questionnaire?

Limits testing is part of our ongoing service offering to you. In the event your plan is audited by the IRS, it will be important for you to prove that no employees exceeded their annual contribution limits or, if any excesses occurred, that they were corrected. Envoy needs certain information to complete the limits testing for you each year. If we do not receive the necessary information, we will not be able to help protect you, your employees and your plan from possible taxes or IRS penalties if uncorrected excess contributions are discovered by the IRS during an audit.

Questionnaire

Why do I need to complete the questionnaire?

In order to properly conduct the annual limits testing, Envoy needs to be aware of other retirement plans you may sponsor. IRS regulations require that certain retirement plan contributions be added together to determine a particular employee's contribution limits. For example, if an employee contributes to both a 403(b) and a 401(k) plan, those contributions must be added together to determine the employee's 402(g) contribution total for the year.

Do I need to log in to answer the questionnaire?

No, you do not need to log in to answer the questionnaire, which can be accessed at <https://envoyplanservices.com/tools.asp>.

Excess Contributions

What are the 2017 contribution limits for our employees?

Contribution limits for 2017 and 2018 can be found on our website at <http://envoyplanservices.com/links.asp>.

What happens if excess contributions are found during limits testing?

If it is determined during limits testing that an employee has exceeded an IRS contribution limit, Envoy will work with the employee's investment provider to process a distribution from the employee's account. The amount distributed will be the excess contributions plus any earnings on that amount. The investment provider will issue a Form 1099-R for the employee's use when filing personal tax forms.

Testing Results

How will I know the results of the limits testing for our plan(s)?

After all limits testing is completed, Envoy will send you an email to let you know that your report can be retrieved from our secure File Exchange. Also included in the report will be a summary of the transactions we reviewed for your plan during the previous year. This generally occurs in the late spring.

How do I contact Envoy if I have a question about the annual limits testing process?

Please send an email to YearEndInfo@mymidamerica.com. Our limits testing team will respond to your question as soon as possible.

