



401(k) Plan Annual Review Checklist

LET'S KEEP YOUR PLAN IN COMPLIANCE

An annual review of how you are operating your retirement plan can prove beneficial in avoiding the 12 most common retirement plan mistakes found by a Department of Labor audit.

Use this checklist to help ensure you are taking the necessary steps to keep your plan in compliance.

401(K) PLAN REVIEW CHECKLIST	Yes	No	Unsure
Has your plan document been updated within the past few years? If your plan hasn't been updated to reflect recent law changes, the plan needs to be revised.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the plan operations based on the plan document terms? Failure to follow the terms of the plan is a common problem found on an audit.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the plan definition of compensation for all deferrals and allocations used correctly? Your plan may use different definitions of compensation for different purposes. It's important that you apply the proper definition found in your plan document.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were employer matching contributions made to appropriate employees under the plan terms? The plan terms must be followed when allocating employer matching contributions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the plan satisfied the 401(k) ADP and ACP nondiscrimination tests? Most 401(k) plans must satisfy yearly ADP/ACP nondiscrimination tests.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were all eligible employees identified and given the opportunity to make an elective deferral? By supplying your tax advisor with information regarding all employees who receive a Form W-2, you may reduce the risk of omitting eligible employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are elective deferrals limited to the IRC Section 402(g) limits for the calendar year? Failure to distribute deferrals in excess of the 402(g) limit may result in additional taxes and penalties to the participant and employer.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you timely deposited employee elective deferrals? Deposit deferrals as soon as they can be segregated from the employer's assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do participant loans meet the plan document and IRC Section 72(p) requirements? Defaulted loans or loans in violation of IRC Section 72(p) may be treated as a taxable distribution to the participant.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were hardship distributions made properly? If a plan allows hardship distributions, the plan terms must be followed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Were top-heavy minimum contributions made? If the plan is top-heavy, minimum contributions for non-key employees are required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was Form 5500 filed? Many 401(k) plans must make an annual filing with the Federal government.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>