Knowledge Center

Benefit Plan Reporting

Q&A

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Client Question

How have you adjusted to 409A?

Frankly, the IRC 409Aguidelines has little impact on Balser's systems, but has proven incredibly important to our role in helping clients understand the impact of the American Jobs Creation Act of 2004 and its regulations on plan documentation and procedures. Since Balser first selected its adaptable recordkeeping system to accommodate the flexibility of nonqualified plans over 10 years ago, rules that affect specific years have been easily handled. Specific rules issued for years after 2004 consequently did not require Balser to adjust the system due to 409A, in fact we took over plans from RKS competitors who had not made the investments and decisions that Balser had in flexible, adaptive technologies. We had been handling seamlessly grandfathered and new plans (one frozen, one active) on one system for 10 years. The system was originally designed differently than "one bucket" 401(k) qualified plan RKS with Balser's separate/discrete plan year capabilities. Although we chose open architecture because our clients offered sophisticated plans and applied separate rules to distinct plans perhaps through inheriting executives and obligations from acquisition strategies, the result to Balser and 409A was no system modifications, which certainly minimized the perceived hassle to our clients. The system is agile and accommodates different rules for different years due to legislative changes or corporate sponsor changes.

Standard client/plan sponsor reports are 409A compliant and include:

(1) Liability Report by Participant,
(2) Liability Report by Division or Location,
(3) Section 16b Report and
(4) Plan Level Allocation Report (Liabilities by deferral source). These can be provided in hard copy or PDF files. Some reporting can be provided in Excel. However aesthetic formatting is not retained. Two standard plan reports are produced quarterly by our insurance services consultants:
(5) Asset Liability Report and
(6) Cash Value Report. Further; and, an optional standard report is the
(7) Asset Allocation Report. Most clients do not choose this report as the same data is incorporated into the Asset Liability Report. These reports are also provided in Excel.

Executive
Benefits

Benefit Funding

perspectives

Reporting

Participants may have quarterly paper reports, depending on the client's preferences. Participants can view net dollar activity by fund over a specified time period online, without limitation of time frames. Reports of this activity can be run in aggregate or by discrete plan year and source. "Statements On Demand" can be created based on the participant selecting to view by total, by source, by year or by some combination within any date range since plan inception. Transfers and reallocation activity are followed-up by automatic email confirmations for both the change request and the actual processed transaction the following business day.

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