

DATA REQUEST INFORMATION INSTRUCTIONS

1. **Employee Census Information**

Please provide employee data in a spreadsheet per the attached specifications. Include all employees who were employed at any time during the plan year, regardless of whether or not they are still employed on the last day of the plan year. For security purposes, please add a password to any confidential files that you email to us. If there is any data that you cannot provide in a spreadsheet, please contact us. If you would like us to send you a partially-completed Excel spreadsheet, please contact your Kravitz consultant.

2. **Sample W-2s or Payroll Report Pages**

There can be confusion in what items should be reported to us as compensation; therefore, please provide us with two or three sample W-2's (or payroll report pages) and the totals page (W-3) so we can verify that the correct compensation items are being reported. In addition, please provide us with a draft copy of the Schedule C and K-1 for any sole-proprietors and partners, respectively.

3. **Tax Return for the Prior Fiscal Year**

Provide a copy of the first page of the taxable entity's tax return for the prior fiscal year (i.e., Form 1120 for C-corporations, Form 1120S for S-corporations, Form 1065 for partnerships, etc.) For sole-proprietors and partners please provide a copy of the first page of Form 1040 and Schedule C/ K-1 for the prior calendar year.

4. **Employer Status Report**

Please verify, correct or complete the information requested on the Employer Status Report, and return it with the final employee census data.

5. **Plan Contribution Form**

Please provide the dates and amounts of any contributions made (or to be made, if any) on the last day of the plan year, including any 401(k) and matching contributions.

If the plan(s) has a corporate trustee, please skip to item 7. Otherwise, please provide the information requested in item 6.

6. **Trust Information**

Please provide a trust statement for the plan year. This should include all receipts and disbursements as well as a statement of assets at book and market values as of the beginning of the plan year and the end of the plan year.

Please provide a trust statement to us even if you are providing us with brokerage statements. **Not providing us with a balanced trust statement may increase the time it takes us to review the trust information, which would result in additional fees above our normal recurring service fee.**

Note there are other trust issues that may affect your plan. Please see the attached exhibit – Additional Required Trust Information.

7. Reportable Events to the Pension Benefit Guaranty Corporation (Only for Defined Benefit Plans)

Please let us know if you have had a reportable event this year or if one may occur next year. A reportable event is a major event such as sale of the company, number of participants declines by 20%, etc. Please refer to our Louis Kravitz & Associates, Inc. Information Release on our website, www.lkravitz.com/forms, for a list of reportable events. It is important that we be notified promptly of reportable events in order that they are reported to the PBGC within the required time frames.

CENSUS SPREADSHEET SPECIFICATIONS

In order to update our records for your annual administration, please provide employee census data to us in a spreadsheet. You may email the spreadsheet to us (password-protected), or mail us a diskette. Also send a hardcopy listing of the data. We are able to accept data in Excel, Lotus 123, or Dbase.

Include all employees who received pay at any time during the year.

File Structure

The file should contain one record for each employee and include the following fields:

Social Security #	Employee's nine digit Social Security number.
Last Name	Last name of the employee.
First Name	First name of the employee.
Gender	For defined benefit plans only: Please indicate "M" (male) or "F" (female).
Officer	Indicate with a "Y" (yes) if the employee was an "officer" <u>anytime</u> during the Plan Year.
Officer Title	Please indicate the employee's title.
Ownership Percent	If the employee is an owner, indicate the percent of ownership.
Date of Birth*	Date employee was born (MM/DD/YYYY).
Date of Hire*	Date employee was originally hired (MM/DD/YYYY).
Date of Rehire*	Date employee was rehired (if applicable) (MM/DD/YYYY).
Employee Status	Indicate any changes to an employee's current status using the following codes. (Leave this item blank for any employee whose status has not changed): E - Union F - Nonresident Alien (non-U.S. Citizen working outside the U.S.) I - Maternity/Paternity Leave N - Died P - Disabled R - Normal Retirement S - Early Retirement T - Terminated X - Approved Leave of Absence Y - Rehired (be sure to complete the Date of Rehire)
Employee Status Date*	If there is a change in the employee's status, indicate the date the new status is in effect. For example, if an employee changes status from active to terminated, enter date of termination. (MM/DD/YYYY)

* Please make sure that these fields are date fields and 10 characters long.

Hours of Service Indicate annual hours worked by the employee, including all paid hours, such as vacation or sick leave. For employees who worked less than 1000 hours, please indicate the actual hours worked. For employees who worked more than 1000 hours, it is acceptable to indicate 1000 hours or the actual hours worked.

Gross Compensation Total compensation paid to the employee for the plan year. Total compensation includes all W-2 Compensation paid to the employee plus compensation deferred under a 125 cafeteria plan and a 401(k) plan.

For Partners and Sole Proprietorships

For partners, please provide K-1 earned income (currently line #15a). For sole proprietors, please provide Schedule C income (currently line #31). Also provide us with the draft Schedule K-1's (for partners) or Schedule C's (for sole proprietors) and Schedule SE's (calculation of FICA tax) for the year. Please note that we are required to adjust the partner's/sole proprietor's income by one-half of self-employment tax and the retirement plan contribution to determine their "compensation." We will use the standard methodology to calculate their compensation. Please let us know if the owner received any W-2 income, has additional Schedule C or K-1 income or if your accountant would prefer to perform this calculation.

Pre-Participation Compensation Compensation earned for the period prior to the employee's entry date. This information is only required for employees who first became eligible for the plan during the current plan year. Leave "Pre-Participation Compensation" blank for other employees. **Note:** We are requesting compensation for the period during which the employee was not an eligible participant.

The following data fields should be provided if they are applicable to your retirement plan(s). If you have any questions, please call us.

Bonus Total bonus paid to the employee for the plan year.

Commission Total commission paid to the employee for the plan year.

Overtime Total overtime paid to the employee for the plan year.

Other excluded Compensation Other compensation excluded by your plan for the plan year.

401(k)/403(b) Deferrals 401(k) or 403(b) pre-tax contributions for the plan year.

401(k)/403(b) Catch-Up Deferrals 401(k) or 403(b) catch-up contributions for the plan year.

Roth 401(k)/403(b) Deferrals Roth 401(k) or 403(b) contributions (after-tax) for the plan year (if any).

Roth 401(k)/403(b) Catch-up Deferrals Roth 401(k) or 403(b) catch-up contributions (after-tax) for the plan year (if any).

Cafeteria Deferrals 125 Cafeteria plan contributions for the plan year.

Employer Match	Employer matching contributions for the plan year.**
Employer Contributions	Employer profit sharing or money purchase contributions for the plan year.**
Loan Payments	Loan repayments for the plan year.
Division Code	Indicate each employee's division.
Location Code	Indicate each employee's location.
Job Classification	Indicate Job Classification.
Family Member	For any employee who is related to a "1% owner," indicate name of family member related to, and relationship. An individual is a "1% owner" if that individual owns <u>more than</u> 1% of the employer at any time during the plan year <u>or</u> during the 12 months preceding the plan year.
Remarks	Any remarks or additional information for individual employees.

****Please only provide employer contributions that are not calculated by Louis Kravitz & Associates.**

Please [click here](#) to complete the census spreadsheet.

PLAN CONTRIBUTION FORM

Plan Name:

Prepared by:

**401(k)/403(b)
CONTRIBUTIONS
(including catch-up)**

**ROTH 401(k)/403(b)
CONTRIBUTIONS (if any)**

**MATCHING
CONTRIBUTIONS**

**OTHER
EMPLOYER
CONTRIBUTIONS**

**LOAN
REPAYMENTS**

**TOTAL
DEPOSIT**

Payroll Date*

Date
Deposited

Amount

Amount

Amount

Amount

Amount

Amount

SAMPLE

Please [click here](#) to complete this form

Totals

Include all contributions for the plan year, including contributions deposited after the end of the plan year made for the current plan year

***Provide payroll date for 401(k), match and loan repayments.**

ADDITIONAL REQUIRED TRUST INFORMATION

1. For any non-publicly traded assets such as limited partnerships, real estate, collectibles, etc., please provide market value as determined by an independent third party. Be sure to keep written documentation to support each year's appraisal. (If you have any questions, please call for a copy of our Information Release regarding valuation of plan assets, or a copy can be found on our website – www.lkravitz.com.)

2. In preparing your trust statement, you should investigate whether either of the following situations is applicable:
 - A. Have there been any prohibited transactions (direct or indirect) between the plan and a party-in-interest? For example, has the plan lent monies to the employer?

 - B. Does any plan investment generate taxable income (from an unrelated trade/business or from debt-financed investments)? This may occur, for example, if a plan has investments in certain limited partnerships. If taxable income is involved, the plan may be subject to various requirements, among which is the filing of IRS Form 990-T. You should contact your investment advisor for detailed information.

If either of the above situations is applicable or if you are uncertain, please inform us.

3. If your plan has a portion of its trust assets invested in a product sold by an insurance company (e.g. life insurance policies, annuity contracts, etc.), please ask the insurance company to provide the information necessary to complete the Schedule A of Form 5500.
Also, if the plan owns any insurance policies, provide the face amount, premiums paid and cash surrender value as of the end of the plan year. As a reminder, all employees who have individual life insurance policies maintained on their behalf under the plan must have the economic benefit of the insurance protection included in income each year. The value of this benefit is known as the P.S. 58 cost and must be reported on Form 1099-R. Your insurance agent or company should provide this information to you to complete the Form 1099-R each calendar year. **As a reminder, we generally do not prepare Form 1099-R to report P.S. 58 costs unless specifically requested to do so.**

4. If you own any “non-qualifying” assets such as limited partnerships, trust deeds, private stock, etc., you may be subject to an independent audit unless you increase your fidelity bond to equal the value of the “non-qualifying” assets (but no less than 10% of the total assets held). **The increased bonding must be in place for the entire plan year** (or since the assets were acquired). The bonding requirement also applies immediately to such assets acquired in the coming year.

Qualifying assets are defined as any asset held by a bank, insurance company or broker-dealer, mutual fund shares, annuity contracts issued by an insurance company, employer securities, participant loans, or certain assets in a participant-directed account. If you have any assets besides these described or if you have any questions on this issue, please contact us immediately and/or see a copy of our Information Release regarding the New Audit Requirements on our website at www.lkravitz.com

FREQUENTLY ASKED QUESTIONS ABOUT THE EMPLOYEE CENSUS DATA

A. Who should I include in the census data I send to Kravitz?

Include all employees who received pay at any time during the plan year, even if they terminated employment or are not eligible for the plan.

Tip: Total the compensation and 401(k) deferral fields and compare them to your payroll reports, to verify that all employees are included.

B. What is considered “compensation”?

Compensation generally includes wages and other payments reported on Form W-2. Compensation also includes 401(k) and 125 cafeteria plan deferrals. (For sole proprietors, compensation is net Schedule C income. For partners, compensation is K-1 income.)

C. What is “pre-participation compensation” and why does Kravitz need it?

For employees who become eligible to participate in the plan mid-year, we need to know how much of their total compensation was earned *before* their entry date.

We collect this because some plan documents specify that contributions are allocated based on compensation earned while a participant in the plan. Sometimes we use this definition of compensation to pass nondiscrimination testing.

D. Do I have to complete the Bonus, Overtime, Commission and Other Excluded Compensation fields?

Please complete these fields *only if* your plan excludes these pieces of compensation. Otherwise, leave them blank.

E. Why does Kravitz need hours worked and dates of birth, hire, rehire and termination?

We need to know if employees are old enough to participate in the plan, if they are retirement age, and if they are required to take age 70½ minimum distributions. Sometimes age is a factor in determining a participant’s contribution. We also take age into account when doing nondiscrimination testing.

We use hours worked, as well as dates of hire and termination, to determine when an employee becomes eligible to participate in the plan, whether they are eligible to receive a contribution, and to determine vesting. We also have to report certain terminated participants on Form 5500.

We need rehire dates because rehired employees have special rights under the plan, and sometimes join the plan on their date of rehire.

F. Status Dates and Status Codes

You only need to complete these fields if an employee has a *change* in status. For example, if the employee terminated employment, you would enter “T” in Status Code and their date of termination in Status Date.

If you complete the Status Code field, you must complete the corresponding Status Date field, and vice versa. They must either both be blank, or both have something in them.

If an employee is rehired, you should not give them a new hire date. Instead, enter a Status Code of "Y" (rehired) and enter their rehire date in both the Status Date and Rehire Date fields. This is important for vesting and other purposes.

G. What other information should I send Kravitz with the employee census?

- *Sample Forms W-2 and a copy of Form W-3*, so we can verify the compensation and 401(k) deferrals reported to us. If your plan uses an off-calendar plan year, please send us sample payroll report pages and the totals page, since W-2s are on a calendar year basis.
- The *Employer Status Report* includes information we need to report on Form 5500. It also contains information on any other companies the owner of your company may own, which affects nondiscrimination testing.
- The *Plan Contribution Form* lists each payroll deposit, and the breakdown between various types of contributions and loan payments. This will greatly help us resolve any discrepancies between the contributions reported on the census, and those deposited according to the trust statements. It will also help us determine whether all 401(k) contributions and loan payments were deposited timely, according to Department of Labor regulations.

H. Helpful tips that can save you money:

- Send us data on a computer file (instead of paper).
- Make sure you've entered the required information for every employee (e.g. social security number, compensation, hours of service).
- Add a totals column to the bottom of your spreadsheet, and check your totals against your payroll reports or Form W-3 to make sure they match.
- Use the Remarks field to let us know about anything special (such as a change in name).
- Complete and return all the information requested (including the Employer Status Report, Contribution Form and sample W-2s/payroll report pages) to the Kravitz Data Team.
- The more complete and accurate the data is, the less we charge!