



**YEAR END DATA COLLECTION**

At the end of the plan year the employer must prepare a census report. This information is used to determine eligibility, calculate and allocate contributions, perform compliance testing, update participant vesting and to prepare Form 5500 for filing with the Employee Benefits Security Administration (EBSA). Accurate census information is critical to performing these administrative functions. Please fill in the information below. When completed, please forward a signed copy of this form and a completed census spreadsheet previously provided to: [hills@hillspallc.com](mailto:hills@hillspallc.com)

**Name of Company:**

**EIN:** **Census Contact Person:**

**Email:** **Phone No:**

How would you like to receive your Plan Valuation Reports?  Via Emailed  Mailed

**Type of Entity:**

- |             |                     |            |                       |
|-------------|---------------------|------------|-----------------------|
| Corporation | Professional Corp   | LLC Corp   | Subchapter S Corp     |
| Partnership | Sole Proprietorship | Non-profit | Political subdivision |

The form of business you operate determines when you must file company tax forms and make your employer deposit. All deductible contributions must be filed by time you file your company's tax return. Please indicate form of business and if the company will be filing for extension. **PARTNERSHIPS MUST PROVIDE COPY OF SCHEDULE C OR K1 INCOME.**

- Is the Company on Extension?  Yes  No
- Has the Sponsoring Employer or any of the owners, bought sold or merged with any other company within the last year.  Yes  No

Verify you have the company ownership information correct on census, including other businesses and trusts they may own. Provide all family relationships between owners and employees. If ownership has changed or if a new business has been acquired please provide us information.

**\*Ownership must total to 100%**

- Do you have a current Fidelity Bond?  Yes  No

Verify you have the plans Fidelity Bond Coverage available. If we do not have a copy of your Fidelity Bond, we will be asking for it.

- Are you requesting HPA to calculate and employer contribution?  Yes  No

If yes, please specify source and formula (i.e. Profit Sharing 5%, Profit Sharing \$25,000, Match 100% of deferrals up to 6% compensation)

Source:  Formula:



## CENSUS SPREADSHEET SPECIFICATIONS AND FREQUENTLY ASKED QUESTIONS

In order to update our records for your annual administration, please provide employee census data to us in a spreadsheet and upload through your Vault on our website at [www.hillspallc.com](http://www.hillspallc.com)

### **Include all employees who received a W2 for the Plan 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.
Name	Last Name, First Name of Employee.
Date of Birth	Date employee was born (MM/DD/YYYY).
Original Date of Hire	Date employee was originally hired (MM/DD/YYYY).
Termination Date	Date employee was terminated (MM/DD/YYYY).
Rehire Date	Date employee was rehired (MM/DD/YYYY).
Ownership/Key Employee	If the employee is an owner, indicate the percent of ownership  If the employee is a family member of the owner please indicate relationship (i.e. spouse, child, grandparent, brother)  If the employee is an officer, please enter Officer Title
Hours Worked	Hours of Service Indicate annual hours worked by the employee, including all paid hours, such as vacation or sick leave.  Under 500 hours = 500  500-1000 hours = 750  Over 1000 hours = 1000
Family Member and Relationship	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 more than 1% of the employer at any time during the plan year or during the 12 months preceding the plan year. Note that Spouse includes same-sex spouses whose marriage is recognized under Federal law.
Gross Compensation	Total compensation paid to the employee for the plan year. Total compensation includes all W-2 Compensation (Box 5) paid to the employee plus compensation deferred under a 125 cafeteria plan, a 401(k) plan, and employee pre tax contributions to a Health Savings Account (HSA) Please provide copy of W3 or payroll report pages with the totals pages.

• **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.

Excluded Compensation	Portion of Gross Compensation that is Other Excluded Compensation (please explain in the Remarks column). Other compensation excluded by your plan for the plan year. Please note this may require additional nondiscrimination testing
Employee Pre-Tax	401(k)/403(b) contributions (pre-tax) including any catch-up.
Employee Roth)	401(k)/403(b) Roth contributions (after-tax) including any catch-up.
Employer Match	Employer discretionary matching contributions for the plan year.
Employer Safe Harbor Match	Employer required <u>Safe Harbor Matching</u> contributions for plan year. (i.e. 100% of deferrals up to 4% if compensation)
Safe Harbor Non-Elective	Employer required <u>Safe Harbor Non-Elective</u> contributions for the plan year. (i.e. 3% of employee compensation)
Profit Sharing	Employer discretionary Profit Sharing contributions for the plan year.
After Tax	After tax contributions for the plan year. This is not Roth, see above.
Location/Division	Indicate each employee's location/division if eligibility and/or contributions are based on location/division
Job Classification	Indicate Job Classification (i.e. staff/associate attorney)
Other EE Type	If any employees were Union employees or Nonresident Aliens (non-U.S. Citizens working outside the U.S.) please indicate this using the following codes: U= Union N= Nonresident Alien
Other EE Status	Other Employment 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): LM - Military Leave of Absence LA – Other Leave of Absence D - Died P – Disabled

## **FREQUENTLY ASKED QUESTIONS ABOUT THE EMPLOYEE CENSUS DATA**

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

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), HSA and 125 cafeteria plan deferrals. (For sole proprietors, compensation is net Schedule C income. For partners, compensation is K-1 income.)

C. Do I have to complete the Other Excluded Compensation field?

Please complete this field only if your plan excludes a portion of compensation like bonuses. Otherwise, leave blank.

D. Why does HPA 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.

If an employee is rehired, you should not give them a new hire date. Instead, enter their rehire date in the Status Date field. This is important for vesting and other purposes.

E. Helpful tips that can save you money: • Make sure you have entered the required information for every employee (e.g. social security number, compensation, hours of service). • Check the totals section at the top of the census 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

## **ACTION NEEDED**

### **FIDELITY BOND REQUIREMENT**

Section 412 of ERISA **requires** every plan fiduciary and every plan official who handles the funds of an employee benefit plan to be bonded. The purpose of the bond is to protect the plan's assets in the event of fraud or dishonesty on the part of these individuals. The bond must be at least 10% of the plan's assets, as determined at the beginning of the plan year, and is subject to a bonding minimum of \$1,000 and a maximum of \$500,000. The bonding amount is reported on the Form 5500 when it is filed. Failure to provide adequate bonding will subject the plan fiduciaries to action by the DOL, and could trigger the need for an audit.

We have partnered with Colonial Surety Company, a leading provider of ERISA/Pension Fidelity Bonds. They are a national insurance company registered in all 50 states and all U.S. territories, providing insurance products since 1930. They are the largest direct seller of ERISA/Pension Fidelity Bonds in the U.S. Just click on one of their links on our website at [www.hillspallc.com](http://www.hillspallc.com) to get a quote or apply online for immediate online issuance of a fidelity bond. Once the Fidelity Bond has been purchased, Colonial Surety Company will provide us with a copy and will be placed on your company's portal through our Plan Sponsor Link.