

ANNUAL CHECKLIST

For 401(k) Plan Sponsors



The IRS recommends that plan sponsors annually review all retirement plans for compliance purposes. Review the following key items to ensure proper plan administration:

OPERATIONAL COMPLIANCE



TASK	KEY COMPONENTS
<p>Confirm you have written procedures to help plan administrative personnel administer the plan correctly.</p>	<ul style="list-style-type: none"><input type="checkbox"/> Have you updated your retirement plan written procedures to correspond to your overall Human Resources processes?<input type="checkbox"/> Have you compared your administrative procedures to your plan document to ensure they align? If not, do you need to amend your plan or make plan corrections?<input type="checkbox"/> Have you developed strong internal controls for plan administration?
<p>Confirm use of the plan's definition of "compensation" when calculating contributions.</p>	<ul style="list-style-type: none"><input type="checkbox"/> Have you recently read the definition of "compensation" in your plan document?<input type="checkbox"/> Are you including or excluding any part of an employee's wages that does not align with the definition of "compensation"?<input type="checkbox"/> Are you limiting compensation, as defined by the plan, to \$350,000 (for 2025, indexed) for the purpose of calculating all contributions? See the IRS.gov for annual changes.
<p>Confirm eligibility for contributions.</p>	<ul style="list-style-type: none"><input type="checkbox"/> Have you recently reviewed the requirements for eligibility, such as service, age or classification?<input type="checkbox"/> Are all employees in the plan eligible according to internal policies? Are any employees active in the plan who are not eligible?<input type="checkbox"/> Are eligible participants enrolled for employer contributions as of the plan entry date?
<p>Confirm employee contributions are remitted timely and in correct amounts.</p>	<ul style="list-style-type: none"><input type="checkbox"/> (Non-ERISA plans) Are you remitting employee contributions within 15 business days after the end of the month they received their wages?<input type="checkbox"/> (ERISA plans) Are you remitting employee contributions as soon as assets are segregated from your general assets?<input type="checkbox"/> Do you recalculate contribution amounts when an employee's compensation changes?<input type="checkbox"/> Do you run the "Contribution History by Payroll End Date" report in the GuideStone Employer Access® Program (EAP) to reconcile contributions actually credited to participant accounts with your own payroll records?
<p>Provide automatic enrollment notices, if applicable.</p>	<ul style="list-style-type: none"><input type="checkbox"/> Have you reviewed the Annual Checklist for Plans with Automatic Enrollment to monitor compliance?


DID YOU KNOW
administering compensation incorrectly is the #1 problem found in IRS audits?


DID YOU KNOW
eligibility and plan entry are the #2 and #3 problems found in IRS audits?


OPERATIONAL COMPLIANCE (CONTINUED)



TASK	KEY COMPONENTS
Review new employee orientation process for retirement plan education.	<ul style="list-style-type: none"><input type="checkbox"/> Do you emphasize plan participation during onboarding to encourage greater savings for your employees?<input type="checkbox"/> Do you provide new employees with a <i>Summary Plan Description</i> (SPD), including any <i>Summary of Material Modifications</i> (SMM), and appropriate forms in their hire packet? These are available in EAP.<input type="checkbox"/> If your plan is a safe harbor plan or has automatic enrollment, do you provide the required notices with the retirement material to new employees?<input type="checkbox"/> Do you follow up with new employees who do not enroll to encourage retirement savings?
Develop an annual education strategy for your employees to increase savings and participation.	<ul style="list-style-type: none"><input type="checkbox"/> Do you provide required applicable annual notices, such as safe harbor or automatic enrollment notices?<input type="checkbox"/> Do you emphasize retirement savings to increase overall participation?<input type="checkbox"/> Have you asked your GuideStone relationship manager to help you develop educational strategies?<input type="checkbox"/> Have you reviewed member educational material and informed members of appropriate resources?<input type="checkbox"/> Have you assessed the effectiveness of prior educational campaigns?<input type="checkbox"/> Have you documented your educational efforts in case of audit?
Comply with the SECURE 2.0 long-term part-time employee rule.	<ul style="list-style-type: none"><input type="checkbox"/> Does your plan prohibit employees who work less than 1,000 hours in a plan year from making elective deferrals?<input type="checkbox"/> If yes, are you tracking their hours worked in 2023 and 2024 to determine if they must be allowed to make deferrals beginning in January 2025? (The SECURE 2.0 Act requires plans that exclude part-time employees to allow them to make elective deferrals if the employee works at least 500 hours in two consecutive plan years).

ERISA PLANS ONLY

TASK	KEY COMPONENTS
Comply with Department of Labor (DOL) fidelity bonding requirements.	<ul style="list-style-type: none"><input type="checkbox"/> Is your fidelity bond sufficient based on plan assets as of the end of the prior plan year?
Comply with DOL reporting requirements.	<ul style="list-style-type: none"><input type="checkbox"/> Have you filed <i>Form 5500</i> with the DOL each plan year and maintained copies of all related records?<input type="checkbox"/> Have you reviewed the annual audit requirements to determine if your plan must have a full audit?
Comply with DOL notice requirements.	<ul style="list-style-type: none"><input type="checkbox"/> Do you provide notices to new hires within 30 days of their hire date?<ul style="list-style-type: none">• SPD with SMM, if applicable• Participant fee disclosure with addendums<input type="checkbox"/> Do you provide annual participant notices once every 14 months?<input type="checkbox"/> Do you provide the <i>Summary Annual Report</i> to participants by the DOL deadline?



See the [DOL website](#) for more ERISA plan compliance requirements.

OTHER



TASK

Maintain records
of key forms and
documents.

Correct any errors
found in your review.

Review plan provisions
to see if they meet your
organization's goals for
the retirement plan.

KEY COMPONENTS

- Do you retain original signed plan documents and service agreements, including any board resolutions authorizing the provisions?
 - Have you kept all policies and provisions that govern the plan (e.g., employee handbook or employer policies records)?
 - Do you keep enrollment forms and *Retirement Contribution Agreements* for participants?
 - Have you maintained hardship and loan documentation?
-
- Use the IRS Employee Plans Compliance Resolution System (EPCRS):
[IRS.gov/Retirement-Plans/Correcting-Plan-Errors](https://www.irs.gov/Retirement-Plans/Correcting-Plan-Errors).
-
- Have you documented your goals and objectives for your retirement benefits program?
 - Would you allow GuideStone's experts to walk you through your retirement plan to determine if changes are needed?



If you have any questions,
please contact one of our customer solutions specialists at
1-888-98-GUIDE (1-888-984-8433) Monday through Friday
between the hours of 7 a.m. and 6 p.m. CT.

This checklist is not intended to be an all-encompassing list of items you must monitor as part of your fiduciary responsibility. For more information, see the Compliance and Fiduciary Corner in the Resources section of EAP. Additional information is available at [GuideStone.org/Resources/Education/Articles/Retirement/Strong-Internal-Controls-for-Audits](https://www.GuideStone.org/Resources/Education/Articles/Retirement/Strong-Internal-Controls-for-Audits).

This information should not be considered tax or legal advice. GuideStone stands ready to assist your organization as you work with your legal and tax advisors by providing resource information that you and your advisor may find beneficial.