



401(k) Annual Administration Checklist for 2023

401(k) Annual Administration 2023

INTRODUCTION

An important 401(k) fiduciary responsibility is ensuring plan administration tasks are completed timely each year. Our 2023 checklist makes this job easy.

401(k) plans are popular today because they offer generous tax benefits to employers and employees. However, to qualify for these benefits, 401(k) plans must complete a myriad of plan administration tasks each year. It's ultimately up to employers to ensure each task is completed timely. Meeting this important fiduciary responsibility can seem overwhelming, but it doesn't need to be. The key is hiring a 401(k) provider that's willing and able to do three things - 1) summarize all required tasks, 2) complete the more difficult and time-consuming ones, and 3) provide straightforward guidance for the rest.

Annual 401(k) administration tasks generally fall into one of four categories – nondiscrimination testing, Form 5500 reporting, participant disclosure, and plan document maintenance. If you're an employer, we recommend managing the completion of these tasks using a checklist.

A checklist can serve another important purpose - monitoring your 401(k) provider's job performance. As a 401(k) fiduciary, you can't simply assume your 401(k) provider is doing their job. You must "monitor" them - to ensure they're doing a competent and timely job. A checklist can make monitoring easy.

Don't have a 401(k) administration checklist for the 2023 plan year? Use our checklist. It's broken into 3 sections:

- **Deadline Tasks** – Summarizes the tasks that must be completed by a specific deadline
- **Periodic Tasks** – Summarizes the tasks that may need completed during the year
- **Plan Records** – Summarizes the plan year records to keep for documentation purposes

Deadline Tasks

Many 401(k) administration tasks must be completed by a certain date each year. Below are 2023 deadlines for calendar-based plans. Enter the date each task is completed in the field to the right of task. Enter "N/A" if not applicable.

	Deadline	Date Completed	Initials
4th Quarter 2022			
Distribute any applicable 2023 notices to plan participants.			
These include:			
• Safe harbor 401(k) notice.			
• Qualified Default Investment Alternative (QDIA) notice.			
• Automatic (negative) enrollment notice.			
• Participant fee disclosure notice	12/02/22	_____	_____

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Deadline Tasks (Continued)

	Deadline	Date Completed	Initials
1st Quarter 2023			
Provide 4th quarter benefit statements to participants (due 45 days after quarter-end).	2/14/23	_____	_____
Distribute contribution refunds to correct a failed 2022 ADP/ACP test to avoid a 10% IRS excise tax (non-safe harbor plans only).	3/15/23	_____	_____
Fund 2022 employer contribution to take 2022 tax deduction (if partnership or S-Corp with no tax filing extension).	3/15/23	_____	_____
2nd Quarter 2023			
Distribute Required Minimum Distributions (RMDs) to participants that became RMD-eligible during 2022.	4/01/23	_____	_____
Distribute 2022 elective deferrals in excess of IRC Section 402(g) limit (\$20,500 for 2022) to avoid double-taxation.	4/15/23	_____	_____
Fund 2022 employer contribution to take 2022 tax deduction (if sole proprietor or C-Corp with no tax filing extension)	4/17/23	_____	_____
Provide 1st quarter benefit statements to participants (due 45 days after quarter-end).	5/15/23	_____	_____
3rd Quarter 2023			
Distribute Summary of Material Modification (SMM) or new Summary Plan Description (SPD) to participants if SPD modified during 2022	7/29/23	_____	_____
Provide 2nd quarter benefit statements to File 2022 Form 5500 or 2 ½ month extension (Form 5558)	7/31/23	_____	_____
Provide 2nd quarter benefit statements to participants (due 45 days after quarter-end)	8/14/23	_____	_____

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Deadline Tasks (Continued)

	Deadline	Date Completed	Initials
3rd Quarter 2023 (Continued)			
Fund 2022 employer contribution to take 2022 tax deduction (if partnership or S-Corp with tax filing extension)	9/15/23	_____	_____
Distribute 2022 Summary Annual Report (SAR) to participants (if Form 5500 not extended).	9/30/23	_____	_____
4th Quarter 2023			
File 2022 Form 5500 (if extension filed by 7/31).	10/15/23	_____	_____
Fund 2022 employer contribution to take 2022 tax deduction (if sole proprietor or C-Corp with tax filing extension).	10/16/23	_____	_____
Provide 3rd quarter benefit statements to participants (due 45 days after quarter-end).	11/14/23	_____	_____
Provide any applicable 2024 notices to plan participants.			
These include:			
• Safe harbor 401(k) plan notice.			
• Qualified Default Investment Alternative (QDIA) notice.			
• Automatic (negative) enrollment notice.			
• Participant fee disclosure notice.	12/02/23	_____	_____
Distribute 2022 Summary Annual Report (SAR) to participants (if Form 5500 extended).	12/15/23	_____	_____
Distribute contribution refunds to correct a failed 2022 ADP/ACP test with a 10% excise tax (non-safe harbor plans only).	12/31/23	_____	_____

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Deadline Tasks (Continued)

	Deadline	Date Completed	Initials
4th Quarter (Continued)			
Make any 2022 safe harbor or QNEC contributions.	12/31/23	_____	_____
Execute (sign and date) any 2023 discretionary amendments.	12/31/23	_____	_____
Distribute Required Minimum Distributions (RMDs) to participants that became RMD-eligible before 2022.	12/31/23	_____	_____

Periodic Tasks

Below is a list of notable tasks you may need to complete during the 2023 plan year. Enter your initials to the right of each item you have reviewed. Enter "N/A" if not applicable.

Item	Initials
Review plan operation to ensure compliance with plan document. Failure to follow the terms of the plan document is a common problem found during a plan audit.	_____
Ensure all eligible employees are given the opportunity to enroll in plan. By supplying EF with information regarding all employees who receive a Form W-2, you may reduce the risk of omitting eligible employees.	_____
Ensure each newly eligible employee receives the following items before they are eligible to participate: <ul style="list-style-type: none">• Forms or website instructions necessary to enroll.• Beneficiary designation form.• Summary Plan Description (SPD).• Applicable participant notice(s) (safe harbor, automatic enrollment, QDIA).• Participant fee disclosure notice.	_____
Ensure the plan definition of compensation is being used to calculate participant deferrals and employer contribution allocations. If plan specifies a different definition of compensation for a particular contribution type, be sure that different definition is being correctly applied.	_____

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Periodic Tasks (Continued)

Item (Continued)	Initials
If the plan allows participant loans, ensure all loans are repaid according to the terms of the plan's loan policy and each loan's promissory note.	_____
Ensure employee salary deferrals and loan payments are deposited timely. Employers must deposit deferrals as soon as they can be segregated from employer assets. Most employers deposit salary deferrals when making payroll tax deposits.	_____
Periodically complete plan "housekeeping" (recommended quarterly), including: <ul style="list-style-type: none">• Cash-out small account balances related to terminated participants.• Process any defaulted loans.• Use any unallocated forfeitures.	_____
Limit 401(k) deferrals to IRC 402(g) limit (\$22,500 for 2023). Pre-tax and Roth 401(k) deferrals (if applicable) are combined for purposes of the IRC 402(g) limit.	_____

Plan Records

Due to ERISA document retention rules, you must retain detailed 401(k) records, including testing results, transactions and employee activity, for at least 6 years. Compliance with these rules is important because missing records can make it more difficult to answer questions about plan operations, which can increase your liability unnecessarily.

Below is a list of items you should retain related to the 2023 plan year. Enter your initials to the right of each item you have reviewed for sufficiency. Enter "N/A" if not applicable.

File Item

Annual Valuation – Contains the participant-level transactions for the plan year, including contribution, distribution and fee activity. If received quarterly, file all four quarters.	_____
Annual Trustee/Custodian Report – Contains the trust-level transactions for the plan year, including all purchases and sales that occurred in trust. If received quarterly, file all four quarters.	_____

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Plan Records (Continued)

File Item (Continued)

Initials

Annual Nondiscrimination Testing – 401(k) plans have various testing requirements. Most common tests include:

- Coverage (IRC Section 410(b)) testing.
- Actual Deferral Percentage (ADP) and Actual Contribution Percentage (ACP) testing (non-safe harbor 401(k) plans only).
- Excess Deferral (IRC Section 402(g)) testing.
- Annual Addition (IRC Section 415(c)) testing.
- Top Heavy (IRC Section 416) testing.
- Rate Group (IRC Section 401(a)(4)) testing (“new comparability” plans only).

Annual Participant Notices – Any notices provided to participants, including (as applicable):

- Participant fee disclosure (ERISA 404a-5) notice.
- Safe harbor 401(k) plan notice.
- Qualified Default Investment Alternative (QDIA) notice.
- Automatic (negative) enrollment notice.

Form 5500 – Copy of Form 5500 with related schedules as filed with Department of Labor (DOL).

Independent Audit Report – If required to be filed with Form 5500.

Summary Annual Report – Summary of Form 5500 provided to participants.

Feel confident, not overwhelmed!

There is no reason to feel overwhelmed by your 401(k) plan’s annual administration responsibilities. With the help of a qualified 401(k) provider, they are easy to understand and manage using a checklist. Don’t feel that way? We have a simple solution – replace your 401(k) provider!