

COMPLICATED CASES CALL FOR GOLDLEAF CONSULTING

Our credentialed professionals have years of industry experience and are just a phone call away, ready to answer your questions, review your plan, assist with any errors, and more.

What kind of cases do we handle? *All kinds!* Below is a recent example.

THE SITUATION: CONTROLLED GROUP COMPLIANCE

Five U.S. companies were 100% owned by a non-U.S. company, creating one controlled group that totaled well over 1,000 participants. Each U.S. company had their own retirement plan and all five were operating independently, unaware of the other four companies.

Goldleaf Partners' Consulting Team was engaged to complete the compliance testing for all five plans.

FINDING A SOLUTION

We reviewed several testing options for this controlled group to find a solution.

Due to the small number of employees at one of these organizations, the qualified separate line of business approach could not be used to satisfy coverage testing. Also, the variety of the plans (one safe harbor, two used current year testing, and two applied prior year testing) would not allow full aggregation of plans. After collecting the necessary information, we found that three of the five tests failed using the simple ratio percentage test for coverage.

The best option was to run the average benefit percentage test and the nondiscriminatory classification test. These tests passed, allowing each employer to maintain their separate plans without interruption due to the demographics from the other employers in the controlled group.



BEYOND TESTING

While preparing these tests, we discovered most of these plans had very similar eligibility and benefits. We reviewed the possibility of consolidating the plans, and ***found that a consolidation would save over \$50,000 per year in annual fees.***

Goldleaf Partners is not a law firm and does not provide legal advice. This material is informational only, and is not intended to provide any legal advice. Goldleaf Partners consulting services are offered separately from standard retirement plan administration.