

401(k) Plan Sponsors

Don't Forget These 5 Year-End Tasks



The **end of the year** is fast-approaching; that means 401(k) plan sponsors have their work cut out for them.

Here are 5 tasks you don't want to forget —————>



Deliver Annual Compliance Notices

DEADLINE: **DECEMBER 1ST**

Depending upon how your plan is designed, you may have anywhere from **2-5 documents** to provide to employees each year.



Make sure you know who is responsible for delivering them to your team



Deliver required notices by the deadline



Required Minimum Distributions

DEADLINE: **DECEMBER 31ST**

Check the list of participants who will need **RMDs**. Keep in mind that the **SECURE 2.0 Act** increased the age at which retirees must start taking RMDs from 72 to 73 years old, which could affect distributions.*



Identify & locate participants age 73+ (including former employees)



Pay out RMDs by the deadline

*For more information, reach out to your plan's recordkeeper and TPA.



Long-Term, Part-Time Employees

STARTING: **JANUARY 1, 2024**

The SECURE Act requires 401(k) plans to allow employees who have worked **500 hours or more in the past three consecutive 12-month periods** to contribute to the plan.



Identify long-term,
part-time employees



Track & record
hours



Plan Document Check

BEST PRACTICE: REVIEW ANNUALLY / AS NEEDED

Your plan document is like your 401(k) compass. It breaks down how the plan will operate based on chosen plan design features.



Locate your plan document



Ensure practices align



Review Bond & Insurance Coverage

BEST PRACTICE: **REVIEW ANNUALLY**

FIDELITY BOND COVERAGE

This insurance protects a 401(k) plan from losses caused by acts of fraud or dishonesty by plan officials.

COVERAGE REQUIREMENTS

401(k) plans to cover 10% of plan assets up to \$500,000.¹

FIDUCIARY LIABILITY INSURANCE

This insurance protects plan fiduciaries in case they fail to meet their fiduciary duties.

COVERAGE REQUIREMENTS

Not required

Looking for better ways
to tackle operational
tasks? **Contact our
401(k) team today.**



Source: Department of Labor. "Getting It Right. Know Your Fiduciary Responsibilities."

This information was developed as a general guide to educate plan sponsors and is not intended as authoritative guidance or tax/legal advice. Each plan has unique requirements and you should consult your attorney or tax advisor for guidance on your specific situation.

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