

Case Study | Benefits as a Service

Background

A small global investment management company located in Connecticut. The company originates and manages private asset, impact investments across more than 70 emerging and frontier markets. Thrive HR Consulting has worked with this company for three years and manages all people programs for the company. We process payroll, manage all benefits, developed a global employee handbook, developed a performance management program and work closely with the company leaders on all aspects of HR.

The Client's Challenge:

The company used an HR vendor that provided limited HR, Payroll, and Benefits Administration but not at the level of service employees and leaders needed. As part of the HR vendor's service to the company, they were appointed as co-plan administrators to the 401(k) plan. As co-plan administrator, the HR vendor was responsible for submitting accurate census information each payroll to the 401(k) Plan recordkeeper and reviewing census information annually. Thrive started to provide HR Support to the company in April of 2022 and was appointed as co-plan administrator to the 401(k) Plan at that time.

In July 2023, the 401(k) plan recordkeeper performed the annual Top-Heavy test. The Top-Heavy test compares the total value of key employee balances to the total value of all employees' account balances. If the ratio exceeds 60%, the plan is considered top-heavy. Thrive reviewed the test and found several key employees were classified as non-key employees. Thrive, knowing how important it is to have the right employee census to garner an accurate test, caused our team to do a deeper audit of the prior years' Top-Heavy test results.