

Case Study | Benefits as a Service

Our Solution:

Thrive notified the company of the errors in the current test and requested the prior six years of tests to be regenerated by the 401(k) plan recordkeeper. After reviewing the census data of all prior tests, four of the six years regenerated were incorrect. Thrive worked with the company to provide the correct census information for each year and resubmitted it to the 401(k) plan recordkeeper for re-testing. Unfortunately, the 401(k) Plan failed all four years. To keep the 401(k) Plan compliant, Thrive recommended the following:

- The Thrive team gathered and verified each year's census (2017-2023) for testing, reviewing to determine which years passed and failed. We submitted instructions for the funding of the contributions, reviewed participant records after funding, coordinated the work with the 401(k) Plan recordkeeper, and documented all actions taken and decisions.
- The company was required to make a contribution to the eligible non-key employees in the amount of 3% of eligible pay for the four years that did not pass testing and provide a vesting schedule for each contribution.
- Thrive worked with the 401(k) Plan recordkeeper and the company's Chief Financial Officer to facilitate the four years of contributions. The total profit-sharing contributions for the four years equaled \$160K and were added to plan participants' accounts.
- Thrive assisted the company with converting their current 401(k) Plan to a Safe Harbor 401(k) Plan in January 2024, eliminating the need for the annual Top-Heavy test.

Ready to Move Forward Together?

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