Wilkin Guttenplan
CPAs & Advisors

# Comprehensive 401(k) **Best Practices Checklist** for Effective Plan Management

## Plan Document Review and Updates

- [ ] Confirm incorporation of recent amendments, including SECURE Act 2.0 changes.
- [ ] Verify updates to automatic enrollment features and catch-up contributions.
- [ ] Review eligibility criteria for participation and compensation.

## Annual Audit Preparation

- [ ] Ensure all financial records and compliance documents are current and accurate.

These include but are not limited to: I-9 forms, offer letters, salary and wage information, termination letter, Plan eligibility documents.

- [ ] Coordinate with independent auditors to review fiduciary responsibilities and financial reporting.

## Review of Year-End Reporting

- [ ] Review Non-Discrimination Testing (NDT) results and address any issues.
- [ ] Ensure opt-out steps are communicated with participants, there is documentation of the opt-out process, and if applicable, evidence of opt-out is maintained.
- [ ] Verify participant loans and interest rates are compliant.
- [ ] Ensure withholding rates for distributions are accurate.
- [ ] Maintain audit trails and correction records, including late remittances.
- [ ] Ensure there are no instances of employees contributing over the allowable limits, particularly for employees who may have participated in multiple plans this year.

## Compliance with SECURE Act 2.0 Requirements

- [ ] Update required minimum distribution (RMD) ages and transitional rules.
- [ ] Revise catch-up contribution provisions and auto-enrollment defaults as required.
- [ ] Update automatic enrollment and escalation features, as applicable, and confirm payroll provider and TPA have updated.

## Fiduciary Responsibilities

- [ ] Ensure fiduciaries are trained on SECURE Act 2.0.
- [ ] Document all fiduciary decisions and review of service agreements.
- [ ] Hold and document annual review meetings.

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## Participant Communications and Education

- [ ] Update participant communications to reflect RMD and contribution changes.
- [ ] Distribute all mandatory notices required by SECURE Act 2.0.
- [ ] Provide educational materials and establish feedback mechanisms.

## 5500 Filing & Audit Reporting

- [ ] Verify Form 5500 accuracy with updated census information.
- [ ] Compile documentation for SECURE Act 2.0 changes.
- [ ] Confirm provider changes and maintain all transition records.
- [ ] Notify auditors of mergers, acquisitions, or workforce changes.

## Post Year-End Follow-up

- [ ] Conduct post-year review with internal and external teams.
- [ ] Monitor investment performance and regulatory updates.
- [ ] Develop an action plan for identified compliance gaps.

## Internal Controls, Recordkeeping and Census Verification

- [ ] Update recordkeeping and payroll systems for any plan amendments, new provisions, or changes.
- [ ] Review internal processes and data integrity, including access to Plan data to reflect any personnel or process changes.
- [ ] Verify employee census against HR and payroll records, and confirm key data is complete and current.
- [ ] Ensure sensitive employee and Plan data is protected.

## Documents to Maintain

- [ ] Plan document, adoption agreement, amendments, SPD
- [ ] Investment agreements, policies, and valuations
- [ ] Census data, discrimination testing, and participant records
- [ ] IRS letters, fidelity bond, payroll records, meeting minutes, and prior audit documents