401 Employee Benefit Plan Checkup

Are you sure your 401(k) or 403(b) plan is compliant with DOL/IRS regulations?

Generally, the Department of Labor (DOL) and IRS require that employee benefit plans (EBPs) having over 100 eligible participants must have an independent CPA firm perform an annual audit. This audit helps to identify any deficiencies in how a plan is being operated as compared to its design.

But what if your plan does not have over 100 eligible participants? The plan and plan management are still subject to being audited by the DOL/IRS and can incur heavy fees and penalties if not being operated as designed. That’s why we recommend our Employee Benefit Plan Checkup.

What is the LaPorte Employee Benefit Plan Checkup?

Our Employee Benefit Plan Checkup is a service that our EBP Audit and Assurance team offers to plans that have not reached 100 eligible participants. A LaPorte team member will review the operations of your plan on a smaller scale than that of a full audit. The intent is to provide recommendations, identify any operating errors, and leave you feeling better about satisfying your fiduciary responsibilities to your participants.

Procedures in an EBP Checkup will be customized to your plan and your needs. Examples of procedures performed include:

- Review of your investment committee and/or suggestions for establishing one
- Review of documentation of minutes and/or suggestions to have meetings that meet DOL expectations
- Analysis of timeliness of employee deferral remittance, which is heavily scrutinized by the DOL
- Tests of loan calculations and repayments
- Tests of employee eligibility
- Tests of distributions/withdrawals to determine adherence to terms of plan document
- Analysis of fidelity bond coverage to see that it meets DOL requirements

Because the EBP Checkup is not an audit and will not result in an audit opinion, the fees for this service are significantly lower than the cost of an audit. The fee also includes a presentation or report of our findings and recommendations to management.

Please contact LaPorte’s EBP Audit and Assurance Team leaders for more information:

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Examples of procedures performed include:

- Analysis of your plan service providers (record keeper, third-party administrator, advisors, etc.)
- Review of your plan document
- Review of compensation used to calculate employee deferrals
- Review of employer match/contributions for consistency with plan documents
- Review of cause of any unwanted refund of contributions