



## Instructions

The Department of Labor and ERISA requires Employee contributions and loan repayments to be sent to the plan within a reasonable amount of time. A Plan Sponsor or Fiduciary to an ERISA covered Plan will want to establish a consistent time period for forwarding employee deferrals.

### ERISA Regulations

Department of Labor (“DOL”) regulations under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) require that employee contributions (amounts withheld from an employee’s pay) be treated as plan assets as of ***the earliest date on which such contributions can reasonably be segregated from the employer’s general assets. Such regulations also provide that in no event shall that date be later than the 15th business day of the month following the month in which the amounts would otherwise have been payable to the employee.*** (DOL Reg. Section 2510.3-102 and DOL Field Assistance Bulletin 2003-2). **NOTE: Small plans (Form SF5500 filers) have a 7 day safe harbor reasonable standard**

### Definitions:

- **Pay Date** – The date on which wages are paid
- **Contribution Date** – The date that the employee contributions and loan repayments are credited to the trust/retirement plan. (*NOT the day they were sent to the recordkeeper*)
- **Number of Days** – The number of days from the Pay Date to the Contribution Date, less weekends and Federal Holidays.
- **Reasonable Standard Days** – The maximum amount of days you are allowed when forwarding the employee contributions and loan repayments to the trust.

### How to Use this Spreadsheet

**STEP 1** – Determine what your reasonable standard is and input it into the reasonable standard box on the worksheet. . This can be done by analyzing previous pay periods to determine what is the least amount of time you have been able to make the contributions to the plan. **EXAMPLE:** If you send the contributions/loan repayments on the Monday following the Friday pay date, then you should always forward your contributions on Monday. The key is to develop consistency. **CAUTION:** Some recordkeepers may hold your contributions an inconsistent amount of days before crediting them to the plan. It is your reasonability if this negatively impacts your timely remittance of contributions/loan repayments. For more information visit [www.fiduciaryeducation.com](http://www.fiduciaryeducation.com)

**STEP 2** - Input the correct data per pay period and compare the Number of Days to the Reasonable Standard. If the contribution/loan repayment is late seek additional advice of how to correct.

**CAUTION:** Reasonable Standards can change over time due to many factors. If you find your number has changed, analyze the reason and document. Determine if the reasonable standard needs to be adjusted. Retain the documentation for future reference.

**STEP 3** – Review the worksheet on a regular basis with your plan committee. If your plan does not have a committee the fiduciary of the plan should review. **CAUTION:** Ultimately, it is the fiduciaries of a plan who are held responsible for missing or delinquent employee contributions/loan repayments.

The following document is to be used as a tool in analyzing and documenting the reasonable standard for forwarding employee contributions and loan repayments. ERISA SMART does not take any fiduciary liability by providing such a tool. It is a Plan Sponsor/Administrator’s reasonability to seek legal counsel for additional questions and clarification. For additional information on how ERISA SMART can assist you in better plan management contact us at (805) 202-6670 or [ddonaldson@erisasmart.com](mailto:ddonaldson@erisasmart.com)



# Delinquent Contribution Worksheet

Plan Name: \_\_\_\_\_

Year: \_\_\_\_\_

\*\*Small Plans (Short Form 5500 filers) default the reasonable standard to the 7 day safe harbor

Plan Reasonable Standard

\_\_\_\_\_

Days

Pay Period	Pay Date	Contribution Date	Number of Days	Days Allowed	Days Late
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
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\*\*See important disclosure on instruction page\*\*