

Important Compliance Issues

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*****REVIEW, SEE LINKS FOR ADDITIONAL INFORMATION, AND KEEP FOR YOUR RECORDS*****

DEFINED CONTRIBUTION PLAN LIMITS	2024 Plan Limits	2025 Plan Limits
401(k) Limit	100% of pay, up to \$23,000	100% of pay, up to \$23,500
Age 50 & Over 401(k) Catch-up Limit	\$7,500	\$7,500
Ages 60-63 Catch-up Limit	N/A	\$11,250
Individual Limit	100% of pay, up to \$69,000	100% of pay, up to \$70,000
Annual Compensation Limit	\$345,000	\$350,000

A full table of limits is also available on our website:

[TABLE OF VARIOUS LIMITS AND THRESHOLDS](#)

LONG-TERM PART-TIME EMPLOYEES *See* [Census Template Instructions Tab](#)

PLAN FORFEITURES

Your plan document specifies how forfeitures can be used which, generally, are used to reduce employer contributions and/or pay plan expenses.

The IRS has proposed regulations implementing a deadline requiring that plan forfeitures are used within 12 months following the plan year end in which they were incurred. Large forfeiture balances should be addressed as soon as possible to keep your plan in compliance.

REQUIRED MINIMUM DISTRIBUTIONS

IRS Regulations require that minimum distributions to a Participant must begin by 4/1 of the calendar year following the calendar year in which the Participant attains age 73. After the first RMD, subsequent RMDs must be made by 12/31 of each year beginning with the calendar year containing the required beginning date. If elected in your plan document, this Regulation will only apply to over 5% Owners and non-owners that have terminated employment. Roth accounts are excluded from Pre-Death RMD calculations.

More information regarding RMDs to Participants/Beneficiaries can be found at this link:

[RMDs](#)

DOL ASSERTING BOND REQUIREMENTS

The DOL is looking at plans that do not have fidelity bonds. Plans must be bonded for 10% of the plan's assets. Contact your insurance agent or obtain a bond using this link:

[Colonial Surety Company](#)

Owner-only plans are exempt from this requirement

ANNUAL IRS/DOL FORM 5500 FILING REQUIREMENTS

The Form 5500 filing is required to report information concerning employee benefit plans to the IRS and DOL. 5500 filings to the DOL are required to be signed and submitted electronically, the Form 5500EZ (1 Participant Plans) can continue to be mailed to the IRS or submitted electronically.

Form 5500 for Employee Benefit Plans	Original Due Date	Extended Due Date
	Last Day of the 7 th month after year-end	15 th day of 10 th month after year-end

Penalties may be assessed or imposed in the event of incomplete filings or filings received after the deadline of \$2,586 per day .

2024 FEDERAL TAX FILING DUE DATES - Please consult with your tax advisor regarding your company tax filing due dates .

Entity	Original Due Date	Extended Due Date
Sole Proprietor / C Corporation	15 th day of 4 th month after year-end	15 th day of 10 th month after year-end
Partnership / S Corporation	15 th day of 3 rd month after year-end	15 th day of 9 th month after year-end

RETIREMENT PLAN REQUIRED DOCUMENT UPDATES

The required amendments for the Acts indicated to the right must be adopted no later than 12/31/2026 once the IRS releases the final language.

CARES	SECURE	SECURE 2.0
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THE FOLLOWING IMPORTANT COMPLIANCE ISSUES ARE DETAILED IN THIS LINK

Actual Deferral Percentage Test - A non-Safe Harbor 401(k) plan must pass an Actual Deferral Percentage (ADP) test or be corrected within 2 ½ months following the end of the plan year to avoid a 10% excise tax on the employer.

Top-Heavy Minimum Contribution - Non-safe harbor top heavy plans (the total of the accounts of all key employees exceeds 60% of the total of the accounts of all employees), may be required to make a minimum contribution to non-key employees equal to the lesser of 3% of compensation or the highest contribution percentage rate for a key employee. This required contribution comes under the vesting schedule.

Safe Harbor Options - An employer may choose to make a 100% vested contribution to employees to pass the ADP and top-heavy tests. Eligible employees, regardless of hours worked, including those who terminate before the end of the plan year, must receive this contribution. The safe harbor options include: 1) 3% of pay contribution to all non-highly compensated employees; 2) Match non-highly compensated employees \$1 for \$1 up to 3%, plus 50¢ on the \$1 from 3% to 5% - subject to applicable notice requirements.

RETIREMENT PLAN FEE DISCLOSURE REGULATIONS

[FAQs](#)