

# Non-Discrimination Coverage Testing

## Instructions for the Plan Year Ended June 30, 2017

The *Non-Discrimination Coverage Testing* form is available on the **Home** screen of YERDI in the **Tools/Resources** section. A number of the fields will be prefilled with data that is on file at the Fund. All information requested is based upon your last payroll from the month of June 2017.

### Completing the Form

1. At the top of the form, enter the name, phone number and email address of the person preparing this form. We will use this information to contact you if we have any questions.
2. Verify the information prefilled into the form. If your *Federal Tax Identification Number (TIN)* is incorrect, you can revise it here. To correct other information in this section you will need to contact the Fund.
3. Please enter the requested information in the shaded areas. If your YMCA is using YERDI Eligibility Tracking (YERDI ET), the information requested on lines 5 & 6 a-c will be prefilled. You can run the *Non-Discrimination Testing Report (formerly 'Schedule T')* found in the **Reports** menu in YERDI ET (by clicking the **Go To Eligibility Tracking** link) to review employee data to ensure accuracy. If you are not using YERDI ET, you will need to manually compile this information from your payroll records.
4. When you have finished entering and verifying the data, press the **Review** button on the bottom of the form to check any errors, and then press the **Print** button to print a copy of the form for your records. Finally, press the **Submit** button to save the form and automatically send an email notifying us of its completion.
5. Once saved, the form is locked. You will not be able to alter the contents without contacting the Fund.

**The form is an important part of the Fund's filing of IRS Form 5500 and must be completed by August 31, 2017.**

## Enrollment Information

<b>COLUMN I</b>	Enter the information related to <b>ALL</b> employees based on data from the last payroll in June. YMCAs using YERDI ET should review the prefilled data to ensure accuracy—see above instructions on how to run the <i>Non-Discrimination Testing Report (formerly 'Schedule T')</i> .
<b>Line 5</b>	Enter information about all employees, including any leased employees and anyone who was employed on a seasonal basis but did not earn any wages in the last payroll in June. <b>An EMPLOYEE is defined as anyone who works full-time, part-time, or seasonal and is on your last June payroll. Refer to FAQs for further guidance.</b>
<b>Line 6a-c</b>	In each row, enter the number of employees who are NOT ELIGIBLE because they are either: <ul style="list-style-type: none"> <li>• Under Age 21</li> <li>• Have never worked at least 1,000 hours in any two years (include employees awaiting their two year anniversary date)</li> <li>• Waived participation when employed for the first time at age 60 or older</li> </ul> <b>Employees should be counted only ONCE (i.e., if an employee is under age 21 and has not worked 1,000 hours, they should be included in only one of the entry lines).</b>

<b>Lines 6d &amp; 7</b>	NO ENTRY REQUIRED. These cells are calculated by a formula.
<b>Line 8</b>	<p>(a) NO ENTRY REQUIRED. This cell contains the number of employees enrolled in the Retirement Plan per the contribution data entered in YERDI for the last payroll in June 2017. It does not include participants in the Tax-Deferred Savings Plan that are not enrolled in the Retirement Plan.</p> <p>(b) This cell is used to include employees that are enrolled but did not earn any wages in the last transmittal for June due to leave or other reasons.</p> <p><b>If all eligible employees are in the Plan, the total of lines 8(a) + (b) will match the number on line 7.</b></p>
<b>Lines 9 &amp; 10</b>	<p>NO ENTRY REQUIRED. These cells are calculated by a formula.</p> <p>Provide the names of all eligible but not enrolled employees in the text box at the bottom of the form.</p>
<b>COLUMN II</b>	<p>Enter the information requested in lines 5-8 above with data for Highly Compensated Employees (HCE's) ONLY. An HCE is an employee who earned \$120,000 or more in the twelve months ending June 30, 2017.</p> <p><b>Enter information about HCE's ONLY in Column II. HCE's are included in your entire employee calculations in Column I and are listed again separately in Column II.</b></p> <p>YMCAs not using YERDI ET will need to gather the information concerning HCE's from the payroll records. In the event you have not submitted all of your payroll data in the twelve months ending June 30, 2017, these numbers may not be accurate.</p> <p>The Coverage Ratio in Line 10 indicates whether the YMCA is meeting the minimum coverage requirement. <b>Under IRS guidelines, YMCAs MUST meet the minimum coverage requirement to continue to offer the Retirement Plan to their employees.</b> If the ratio percentage on Line 10 is 70% or more, then the Plan satisfies the coverage requirements based on the Coverage Ratio Percentage Test.</p>

**If the ratio percentage is lower than 70%, call the Retirement Fund for help at (800) 738-9622.**

## Frequently Asked Questions

### **Q. Should I use the total number of employees listed in the summary data at the top of my transmittal as the number of employees enrolled in the Plan?**

A. No, we are only testing the Retirement Plan for Non-Discrimination Coverage. The "Total Number of Employees" listed on your transmittal includes Retirement Plan and Tax-Deferred Saving Plan participants. Use only the number of employees listed next to "Basic Account". This will eliminate the possibility of including participants in the Tax-Deferred Savings Plan that are not eligible to participate in the Retirement Plan.

### **Q. For total number of employees, should I count all the people I had employed year round or just the ones present at June 30?**

A. The goal is to count individuals employed by your YMCA as of June 30 so you should only count the employees that were on your last payroll in June. You do not need to count everyone you employed throughout the year; however, seasonal employees that only work 1 week or 1 month during the entire year and are enrolled in the Retirement Plan (with contributions being made during the year) also need to be included in the count.

### **Q. Should I include employees listed on the transmittal who have zero contributions?**

A. If the employee's name is still listed on the transmittal and comes back every year around the same time, then the employee should be included in the count. If the employee has not come to work in over a year and there is no reason for the YMCA to expect them to return to work, then they should be terminated in YERDI and not included in the count of employees enrolled.

**Q. Should I include employees listed on the transmittal who are receiving workers compensation, or on military leave, medical leave, or short-term disability?**

A. For the purposes of this form, if the YMCA considers the employee as a continuing employee and wishes not to sever employment because the YMCA has reason to believe they will return to work when able, then they should be counted. If, however, the employee has not returned to work in more than 12 months and the YMCA has no reason to expect them to return to work, they should be terminated in YERDI and therefore not included in the count of enrolled employees.

**Q. Should I include employees who were enrolled retroactively and were not included in the June transmittal (but were supposed to be included)?**

A. Yes

**Q. Should I include employees who were supposed to be enrolled in the Retirement Plan but their paperwork was not processed by June 30?**

A. Yes

**Q. Should employees who terminated prior to June 30th be included on the Non-Discrimination Coverage Testing even if they are listed on the June transmittal?**

A. No. If the employee terminated prior to June 30 they should not be included in the count as enrolled.

**Q. Should I include employees who are listed on the June transmittal, have opened a 403(b) Smart Account, and are making contributions but who ARE NOT eligible to be enrolled in the Plan yet?**

A. No. Only count them if they are eligible to participate in the Retirement Plan.