



Timing of Remittance & Contribution Payments

Employee Retirement Income Security Act (ERISA) Regulations

YMCAs must remit employee-withheld retirement contributions to Y Retirement as soon as reasonably possible after each payroll, once the amounts can be reasonably be separated from the Y's general assets following the date that the amounts are withheld from the employee paychecks. This timing is required under Department of Labor (DOL) regulations, ERISA, and the terms of the 401(a) Retirement Plan.

In 2004, federal legislation affirmed several important protections for the YMCA Retirement Fund, including:

- Recognition of our plans as church plans,
- The right to continue commingling the assets of the 401(a) Retirement Plan with those of our 403(b) Savings Plan for investment efficiency purposes and,
- Permission to continue to convert participant account balances into life annuities for retiring employees (known as self-annuitization, which only defined contribution church plans can do).

As a result of the legislation's enactment, effective July 1, 2006, the 401(a) Retirement Plan elected into certain provisions of ERISA as amended.



What do YMCAs need to do to comply?

For both the 401(a) Retirement Plan and 403(b) Savings Plan, employee-withheld contributions must be remitted no later than the 15th business day of the month following the month in which amounts would otherwise have been payable to the employee.

For example, if contributions are withheld on July 15, the YMCA must remit them as soon as reasonably possible—and no later than the 15th business day of August. What counts as “reasonably possible” depends on each YMCA’s circumstances, such as whether it uses electronic or manual payroll systems, the number of branches involved, and whether an external payroll provider is used.

NOTE: Retirement Plan contributions withheld from an employee’s pay are considered plan assets by the DOL at the time contributions can reasonably be segregated from the YMCA’s general assets and cannot be diverted for any purpose other than to be remitted to Y Retirement to be credited to the employee’s accounts under the Retirement Plan for the exclusive benefit of the employee.

Method of Payment	Details
ACH	Complete the ACH Debit Authorization Agreement and Fax it to 646-458-2664
Check (By Mail)	YMCA Retirement Fund, Newark Post Office PO Box 35551 Newark, NJ 07193-5551
Wire Transfer	Request our bank information by sending an email to: Findept@ymcaret.org .

YMCA Retirement Fund
yrelations@ymcaret.org



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What happens if employee contributions are not remitted ASAP?



Under Department of Labor (DOL) regulations, employee-withheld contributions must be sent to the Retirement Fund on time. When these contributions are delayed, the DOL may consider it a “prohibited transaction.” To correct this, the YMCA must remit the missed employee amounts along with any related earnings. In some cases, the YMCA may also need to report the issue to the IRS using Form 5330, and additional penalties may apply. Y Retirement is also required to report late contributions on its annual IRS Form 5500 filing.

If the YMCA does not correct the issue, file Form 5330, and pay any required taxes by the deadline (or by the time the IRS issues a notice of deficiency), the IRS may impose an excise tax of up to 100%. Using plan assets for any purpose other than the retirement plan—such as covering cash-flow needs—can also carry serious consequences, including potential criminal liability.

In certain situations, DOL rules allow a 10-business-day extension if specific steps are taken. These include notifying all affected participants, securing a performance bond, and providing the DOL with the required notice and certification.

Employer Contributions Are Due On the 15th Business Day

Employer contributions to the 401(a) Retirement Plan must be submitted to Y Retirement no later than the 15th business day after the month in which the contributions were earned. If a YMCA does not send these contributions on time, it will be responsible for paying the full contribution amount plus interest at the applicable rate. Late submissions may also require additional filings and could result in fees or penalties.

Failure to Comply May Result in Expulsion

Failure to comply with the timely remittance of either employee-withheld contributions or employer contributions to Y Retirement could result in appropriate action being taken against a non-complying YMCA, including expulsion from participation in the plans of Y Retirement.

Ys with Past Due Contributions

If your Y has past-due contribution amounts, Y Retirement will send a statement to help you understand what is outstanding. We'll also notify the Y's CEO, CFO, and CVO so the right leaders are aware and can take action. In addition, Y-USA Network Consultants receive updates about delinquent accounts. This information sharing helps national staff identify Ys that may be experiencing financial challenges and may benefit from additional support.

At times, Y Retirement's internal audit team may visit a Y to review processes and ensure compliance with government and Fund requirements.

If your Y is having difficulty meeting these rules, please reach out to Y Retirement's Finance Department as soon as possible. We're here to help you explore options and get back on track. Continued non-payment could ultimately lead to removal from the Plan, so early communication is important.