FASCore Documentation

FUNCTIONAL PROCESS: <u>Online/Automatic Enrollment</u>
PROCEDURE: <u>Adding Online Enrollment/Automatic Enrollment & Deferral Recordkeeping</u>
DATE: May 2013

Overview

Online Enrollment & Deferral Recordkeeping allows eligible employees to enroll in the plan by selecting their deferral elections and setting their investment allocation elections through the automated Voice Response System (VRS) or MetLife website: www.mlr.metlife.com. Automatic Enrollment also allows for participants that do not otherwise elect out of participating in the plan to begin deferral contributions. The efficiency of plan administration also increases when these services are utilized. Current contribution, loan initiation or loan repayment processing procedures will not change. Online enrollment and deferral recordkeeping can be added separately as individual services offered.

Procedure

1) Setup and Processing
    a) Required documentation
        i) Completed Authorization to Complete a Plan Change Form
        ii) If adding Automatic Enrollment
            (1) Automatic Enrollment Services Election Form, signed by plan sponsor
            (2) Executed plan document showing automatic enrollment features noted on the AE Services Election Form
        iii) Plan default fund paperwork, if a default fund is not already established on the plan
        iv) If the default funds needs to be designated as a QDIA, that should be handled through the standard process to add a QDIA. All documents must go through the standard plan change management process

    b) Enrollment Indicative file (and/or PDI file)
        i) The file is created to establish employee records at FASCore
        ii) Eligibility indicator and Participation date are required
            (1) If the file does not include employees in an excluded class, PDI does not need to include eligibility indicator but must include participation date
            (2) If FASCore is calculating eligibility, refer to Eligibility, 1.d. below
        iii) Participation date and eligibility indicator must not be zero filled

    c) Deferral Setup file
        i) The file is created to establish the current deferral elections at FASCore.
        ii) This information can be obtained from the PDI file or a special one time file providing name, SSN and deferral election for each money source.   It is also called a seed file.
        iii) The deferral election must NOT be zero filled unless the participant has chosen not to participate and has made the election of zero
        iv) Existing defaulted deferrals must be flagged with the default indicator
        v) If the plan has scheduled increases, a default deferral effective date is required for those participant deferrals that have been flagged with the default deferral indicator.   FASCore will calculate when the scheduled increase is to occur based on the default deferral effective date. The first increase will occur effective in the third year following the participants' automatic enrollment.
        vi) A sample seed file format can be provided to the employer, if needed.
        vii) The system performs a check on SSN, DOB and Last Name. Therefore, the DOB is required on this file. SSN and DOB should never change since they are key fields. It is always a good idea to include DOB when updating information. If by chance a record isn't currently on the system, it will be added with a valid DOB.

d) Eligibility
  i) If the plan sponsor determines eligibility, the eligibility indicator and participation date are required for each employee
    (1) Eligibility indicator = Y for employees in an eligible class
      (a) If Plan provides only eligible employees on their PDI and no employees in an excluded class, FASCore can hardcode the eligibility indicator as Y. Plan should provide participation date based on age and service requirements.
      (b) If a participating employee has terminated, the eligibility indicator should remain "Y" because they are in an eligible class
      (c) Typically all participants are eligible and should have a Y eligibility code, unless they are part of an excluded class of employees per their adoption agreement.
    (2) Eligibility indicator = N for participants in an excluded class
      (a) Participation Date = Entry Date in which the employee would be eligible if they were in an eligible class.
  ii) The plan sponsor may choose to have FASCore calculate and determine eligibility based on age and service requirements. Refer to the Eligibility Procedures for more details on this.

e) Deferral changes
  i) The preferred plan provisions should allow for unlimited deferral changes (no deferral change restrictions).
    (1) If an exception is needed, restrictions can be limited to "X" number of changes within "X" period of time
  ii) The plan sponsor can make a deferral change directly on PSC, if needed
  iii) Deferral elections can be submitted in:
    (1) Whole percentages
    (2) Fractional percentages - (.5, .1, etc)
    (3) Whole dollar amounts
    (4) Fractional dollar amounts
    (5) If the Plan allows for catch up contributions, FASCore can track them on the participant website in one of two ways:
      (a) Separate Deferral Bucket – the participant would see an input box for his/her regular deferral election, and see a second input box if they are age catch-up eligible. If they are not age catch-up eligible, they will only see one input box. Reminder, if a participant is not already contributing at the maximum plan level or the 402(g) level, their contribution will not be considered age catch-up contribution.
      (b) Combined Deferral Bucket – the participant would only see one input box for his/her deferrals; however, if the participant is age catchup eligible, they would see the deferral limit communicated beside the input box increased to the 402(g) limit or 100%. If a participant is not catch-up eligible, they will see the plan limits displayed beside the catch-up box.
  iv) A cap for the HCE can be established.
    (1) If the HCE maximum is different than the before-tax maximum, participants must be flagged with the HCE indicator
    (2) The flag can be added via PSC or PDI. If adding the field through a PDI file, the plan sponsor must confirm that the field is mapped.
  v) The Plan Sponsor may choose to provide existing participants with a notice of the change to the deferral process.
    (1) Also consider using a website bulletin or statement narrative to announce the change.

f) PDI file considerations
  i) Participation Date or entry date - this is the date an employee can begin participation in the plan. For example, if an employee meets service and age requirements on August 15th, 2007, but the plan's only entry date is January 1st, the employee's participation date would be 1/1/2008.

ii) Eligibility Code – assuming the plan is calculating eligibility; submit the eligibility code of Y if the employee is in an eligible class or N if the employee is in an excluded class. This must be accompanied with a participation date.
   (1) Non-elective changes - are employment status changes affecting employee participation in the plan. These changes, originating from the employer, include the following:
      (a) Changes to a Non-eligible Employment Status (i.e., union to non-union)
      (b) Access to deferral changes on VRS or MetLife website based on these non-elective changes is dependent upon sending the status changes via PDI file transmissions or through PSC. Changing an eligibility code to "N" will prevent an employee from making deferral changes or enrolling in the plan. When an "N" indicator is sent, FASCore will change deferrals to zero and restrict deferral changes according to the plan rules.
iii) Participation date – the date of entry following satisfying age and service requirements.
iv) Employment Termination - In the event of employment termination, there should be no changes made to the existing eligibility indicator and the deferral is left as is. The termination date prevents an employee from making deferral changes and requesting loans.
v) Rehires - when an eligible employee is rehired they will be treated as a new hire, and will be included on the file to receive an Online Enrollment & Deferral Change Kit.
   (1) Once the rehire date is updated by the employer through a PDI file or PSC, FASCore will change any existing deferrals to zero and an Enrollment PIN letter will be sent directly to the participant's address on file.
   (2) If the plan submits a contribution with the rehire date, the Online Enrollment & Deferral Change Kit will not be sent to the eligible rehire but the 0% will be reported to the plan, causing potential issues.
vi) Multi-Payroll Centers - If a participant moves from one payroll site to another, the plan sponsor must ensure that the appropriate information has been changed on the participant through PSC. The deferral information will only be sent to the new payroll center. Employment termination dates included in a payroll file or entered manually are considered as employment termination for the plan, not employment termination dates for Payroll Center. Do not input employment termination dates for Pay Center changes.

g) Hardship withdrawals
   i) The time of implementation a list of hardship withdrawals taken in the past 6 months is necessary if the plan requires contributions be suspended for a period of time after a hardship is processed.
   ii) If the Plan has been with FASCore for more than six months, this list is not necessary. At conversion, the Implementation Team will obtain a list of participants that have taken a hardship withdrawal. The employer is to verify the list against the deferral records to confirm that those affected employees' deferrals are already zero (0) and that the hardship end date is correct.
   iii) The list should include participant name, social security number, date of the hardship withdrawal and date participant is eligible to begin deferrals again.
   iv) Ongoing processing:
      (1) At the time the hardship withdrawal is authorized, the employee is informed of the necessary deferral suspension, if applicable to the plan.
      (2) Once a hardship is processed, the deferral will automatically be set to zero, and an "end date" will be set in the system that is between 6 – 12 months (depending on plan document) from the date the withdrawal is processed.
      (3) The employer will receive notification of the deferral change and the hardship end date on the Deferral Feed File
      (4) The employee will receive written confirmation of the deferral change and will be restricted from changing deferrals until she/he is eligible to restart contributions based on the hardship rules of the plan.
      (5) The employee's deferral, prior to the hardship, will not be automatically reinstated. The employee must take affirmative action by submitting a new deferral election via the web or VRU

        (6) Neither the employer nor the employee will receive written or electronic notification once the hardship end date has passed.

h) Automatic Enrollment
    i) If a Plan provides for Automatic Enrollment, a defaulted deferral election is established for a newly eligible participant unless the participant elects otherwise. The default election is stored and will automatically be updated in the participant's record. The Plan document must provide for automatic enrollment – an amendment may be required if adding this feature.
    ii) Plan must have an active PDI file with required fields prior to FASCore administering automatic enrollment. If PDI is incomplete, the Plan will be responsible for administering the automatic enrollment provision as of the effective date on the amendment.
    iii) A call with the Account Executive and the Plan Technical Support Online Enrollment team is required and the following will be discussed:
        (1) Eligibility
        (2) Timing of files
        (3) Timing of auto enrollment
        (4) ACA Notices
        (5) File Recipients
            (a) New Eligible (Trial New Eligible)
            (b) Deferral Feed File
            (c) Annual Email Notification
    iv) A call with the client should only be scheduled after all requirements are met:
        (1) PDI file set up
        (2) A good deferral seed file
        (3) Completed plan change form and signed set up forms
        (4) Additional documentation for adding Automatic Enrollment
            (a) Completed Automatic Enrollment Service Election form
            (b) executed plan document including any required document amendments
            (c) The MetLife Implementation team will verify the provisions selected on the Automatic Enrollment Services Election Form are consistent with the plan document and the plan change form
        (5) any outstanding questions have been answered.

i) Online Forms
    i) The Enrollment Form, Deferral Change Form, and Catch Up Form will not be setup to be available online for Online Enrollment Plans. For Deferral Recordkeeping only plans, the Enrollment Form and Catch Up Forms are created.
    ii) The plan may request that online forms be made available only during conversion due to timing concerns. The plan will be responsible for entering the data submitted on the form via PSC.
    iii) The plan may request that online forms be made available ongoing with the understanding that they will continue to be responsible for entering data submitted on the form via PSC.
j) Our Plan Technical Support Online Enrollment team is available to perform a call for plans adding Deferral Recordkeeping, Online Enrollment, and/or Automatic Enrollment.
    i) When the AE has obtained from the client some acceptable appointment times for the call, the Account Executive would contact MetHome to schedule the call.
    ii) Please note that appointments must be set at least 72 hours in advance. The required documentation prior to the call:
        (1) Completed deferral seed file from Plan provided 24 hours in advance of the call
        (2) Plan Change Form
        (3) Questionnaire – MetHome will complete italicized questions. This is not an external facing document.
        (4) For Automatic Enrollment: Automatic Enrollment Services Election Form and signed amendment
    iii) The work flow action steps are outlined below.

(1) MetHome Account Manager opens an SR ticket to PTS to schedule a call. PTS has call in numbers that can be used for these calls, or if preferred the account manager can provide a number. In the ticket, let PTS know if a dial in number will be used or if the PTS should provide their own.

(2) PTS confirms the date/time and provides the Account Manager with the assigned representative information.

(3) The Account Manager communicates the date/time and the call-in number to Account Executive.

(4) The Account Executive is to forward the information, including the call in number and room code, to the client through an outlook calendar appointment. Agenda should be included in the appointment invitation to the client.

(5) Account Executive will provide introductions and the PTS Rep will go through each line item of the agenda and the setup document, asking questions and providing information as needed. Allow 1.0 hour for the call.

(6) Following the call the PTS Rep will email a confirmation to all parties on the call regarding any follow-up items, file descriptions, and file delivery date information discussed on the call.

(7) Upon complete setup of the feature, the Account Manager will send a confirmation email to the Account Executive.

    (a) Files created by FASCore

        (i) Based upon the plan's parameters and the data submitted on the PDI files processed through PSC, a Trail New Eligible File will be created containing two sub-files.

            1. The Trial New Eligible File will contain names and addresses of all newly eligible employees with all required data.

            2. The initial enrollment file created may contain all eligible employees with no deferral and no regular (REG) balance. The employer may specify a date prior to which eligible employees will be disregarded.

            3. The employer is to review this file and confirm that the individuals listed are eligible and address information is correct.

            4. If there is a name on the file that is no longer eligible, possibly the employee terminated or should have a non-eligible status, or they are going to be eligible in the future, the employer can modify employment dates, eligibility codes, and participation dates on PSC prior to the creation of the actual enrollment file. Any subsequent files will change this information on the recordkeeping system so confirm that file information is the same as the information that is input manually.

            5. The trial file will be sent to the Payroll Center's PSC directory, along with an e-mail indicating the files are available for review

        (ii) If rejections exist on the file, a second file, Reject Trial New Eligible File, with "REJ" in the file name for identification purposes, will contain new eligible employees' names with missing or defaulted data.

            1. The trial reject file will be sent to the Payroll Center's PSC directory, along with an e-mail indicating the files are available for review.

            2. The time for review and update of information is dependent upon the timeline schedule established but updates should be completed prior to the generation of the New Eligible File.

            3. The employer is to review and update with the appropriate information.

        (iii) The New Eligible File contains the same information as the Trial New Eligible file (with any corrections as a result of the review of the Trial file or rejects noted)

            1. Online or automatic enrollment pins are generated to eligible employees listed on the New Eligible File.

        (iv) As FASCore is the depository of the deferral information, the Deferral File is sent to the employer containing the deferral changes and new enrollee deferral elections according to the schedule established.

1. The following frequencies are available: weekly, bi-weekly, semi-monthly and monthly.
2. The deferral file will be sent to the PSC directory based on the day of the week and frequency selected.
3. The cutoff time for the deferrals reported on the file is 2:00 am, EST. The files will be transmitted by noon of the day selected.
4. If there is a national holiday on a scheduled date of transmission, the file can be received the prior business day, or the business day following the holiday. For example, if Monday is a holiday, you can elect to receive the file effective 2:00 am Friday prior to the holiday, or 2:00 am Tuesday. The election will apply to all files (trial new eligible, new eligible, deferral, etc.). The cutoff time for changes will be 2:00 AM ET on the day of file transmission based on your election if the files are sent prior to the holiday. For files sent after the holiday, the non-holiday cutoff would still be in effect.
5. The file can contain deferral changes only, or full deferral files which contain the deferral election for all participants. The first deferral file will contain all the deferrals that were loaded into the system. This is to establish confirmation of deferral information. Subsequent deferral files electing the changes only format will contain changes only. If full file is selected for all file transmissions, zeroes are only reported once and not on all files.
6. The file is sent to the designated PSC directory, with an email notification that the file is available to download. If the plan sponsor elected to receive files containing deferral changes only and NO changes exist for the period, a file with zero records will be transmitted to let you know that no deferrals changed in the time period.
7. The email notification will appear as shown in the following example: "A new Deferral File has been placed in your directory for processing with your payroll system: Processed Day: Monday Processed Date: 28-JUN-2008 Processed Time: 02:57:35 PM Processed Dates: 02-JUN-2008 through 26-JUN-2008 Processed File: GQ19OEDF.A20020628.A1453.txt Total Records Processed: 692"
8. When does a participant appear on the file?
   a. new or changed deferral
   b. receipt of rehire date (deferral changes to zero automatically and gets reported)
   c. hardship withdrawal is processed (deferral changes to a zero automatically and gets reported)
   d. eligibility indicator changes from Y to N (deferral changes to a zero automatically and gets reported)
   e. Automatic Enrollment - the defaulted deferral or the elected deferral will be fed back to the employer for a payroll on or after the their participation date (for automatic enrollment, the wait days that are coded on the system should also have passed)
9. Change requests for PSC users receiving Online Enrollment/Deferral files
   a. Confirm that the individual needing to receive the files has a valid PSC user id that is registered in his/her name. If they don't, submit a PSC Client Login Request Form and receive setup confirmation prior to making file receiver changes.
   b. Call PTS and request that they replace the PSC user that is currently receiving the files. Provide the specific file names and the PSC user id and email address of the PSC user that will be receiving ongoing files.

2) Employee/Participant Considerations
   a) An Enrollment PIN will be mailed directly to the newly eligible employee's address on file. This document contains instructions for enrolling in the Plan by accessing VRS or MetLife website. There is a different version of the PIN for plans using the automatic enrollment feature. Data

conditions are reviewed by the system prior to the generation of PIN letters to ensure that only eligible employees are allowed to enroll.

b) Once the employee has received the PIN document, he/she accesses the VRS or MetLife website. Enrollees using the VRS will access a special Enrollment Menu to set deferrals, allocations and change the PIN, during the initial call. After the employee makes the initial call and successfully completes the enrollment process, VRS will voice the entire menu of options that will be available for all future calls. Enrollees using the web site in order to enroll online are provided the screens to enroll, selecting deferrals and allocations during the initial visit. The participant elects the following:

    i) Deferrals to be deducted from their paycheck
        (1) For plans that have one contribution source (before-tax), the employee will be prompted to enter the deferral to be deducted from their paycheck.
        (2) There is no Plan level limit – only source level limits. For example, if there is a pre-tax matched source and a pre-tax unmatched source, the system does not monitor a total limit of the two sources. It only monitors the limit by source.
        (3) For plans that have both before and after-tax contribution sources, VRS and the MetLife website will prompt the employee to enter each contribution source separately. Based on the plan document, some employees may elect to defer after-tax contributions only, in which case the employee can enter zero for their before-tax deferral.

    ii) Age 50+ Catch up contributions
        (1) This can be set up to expect an increase in the regular deferral election or this can be tracked as a second election.
        (2) If the Plan is set up to show the catch up election as a separate field, the participant will see two lines when changing deferrals, one for regular and one for the age 50+ catch up. The election will also be separated on the deferral file feed.
        (3) The system caps a dollar entry of the catch up amount, but does not cap a percentage entry.

    iii) Investment Allocation Elections
        (1) Selected by whole percentage only.
        (2) The default fund is required only for automatic enrollment.

    iv) Personalize the PIN
    v) Electronic File Cabinet
        (1) The participant is prompted to elect to receive statements electronically
    vi) Beneficiary
        (1) If the Plan uses Beneficiary Recordkeeping, the participant is able to enter their beneficiary information during the enrollment process.

c) Participants that have been automatically enrolled will be directed to the landing page and will not be prompted through enrollment screens.

d) Once the employee has elected to participate, a Verification of Account Information document is sent directly to the participant if they enrolled via VRS. This document advises the participant that their deferral election will be sent to their employer to be deducted from their paycheck based on their employer's payroll cutoff dates. Subsequent changes made via VRS are confirmed with the Change Verification Letter. Participants making changes via MetLife website are prompted to print the web page or note the confirmation number.