



# Conversion Implementation Guide

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# Thank you for choosing ADP Retirement Services

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Welcome to ADP Retirement Services. We're glad that you have selected us to be your retirement plan provider. We're committed to delivering the value you expect, and helping you navigate the winding road to retirement plan success.

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As your plan transitions onto our platform, you will partner with our implementation team who will help manage the details for you, oversee the smooth implementation of your plan and construct an effective onboarding process for your employees.

This Plan Implementation Guide provides an overview of the process and resources that support your plan conversion.

## Implementation Process

We understand that transitioning to a new retirement plan service provider can be involved, but we use a simple 3-phase process for implementation.



**Document**



**Communicate**



**Activate**

Your Implementation Manager will oversee the entire implementation process. This individual will work with your current provider, manage the day-to-day details and timeline of the transition and keep you and your Financial Advisor (if applicable) informed. The implementation process typically takes between 60-65 days, depending on the complexity of your plan.



## Phase I – Document

The Document Phase of the implementation process includes the gathering of information and documenting the plan design for your retirement plan.



*It's a good idea to confirm how much notice you are required to provide to your current provider before terminating services. You should be able to find the answer in your contract.*

This first phase helps to get your retirement plan on the right path at ADP with all of the documents you need to get started, information on how to transition your plan from your current provider, and what you need to do to let your participants know about the exciting changes you're making.

### Step 1 – Get Started

Your plan implementation begins with a “Getting Started” call with your Implementation Manager and your plan’s Financial Advisor (if applicable). This call will kick off your plan’s implementation process and will:

- Introduce your Implementation Manager and team
- Review the implementation process
- Discuss the roles and responsibilities that apply to you and your ADP team
- Confirm we have collected your current plan document and any amendments

### Step 2 – Notify Your Current Provider

During this step, we will discuss notifying your current plan provider that you intend to terminate their services and requesting the transfer of existing plan assets to your plan’s new trustee. To help, your Implementation Manager will provide a template letter you can use to complete this step.

We will need to confirm the following information with your current provider:

- The date and time the plan’s conversion blackout for participant account transactions will begin (if your current service provider will stagger the start of the blackout for different types of transactions, we will need to confirm this also)
- The date existing plan assets will be transferred to your plan’s new trustee

### Step 3 – Plan Review and Acceptance of Adoption Agreement

Your Implementation Manager or Document Analyst will review your new ADP plan provisions with you and your Financial Advisor (if applicable).

- Review any potential changes that you or your Advisor have requested to your plan provisions during the call.
- Receive, sign, and return your finalized ADP Adoption Agreement

# Getting Started



## Phase II – Communicate

During the Communicate Phase, required notices to employees and participants must be distributed and enrollment meetings will be scheduled and held with your employees.

### Step 1 – Participant Notification

You may need to provide certain notices and disclosures required by the Department of Labor (DOL) and, in some cases, the Internal Revenue Service (IRS) to eligible employees, participants, and other individuals in connection with your plan's conversion. These may include, for example:

- Blackout Notice
- Participant Fee Disclosure
- Summary Plan Description
- Safe Harbor Notice (if applicable)
- Fund Mapping Form (if applicable)

ADP will provide these documents to you for distribution. If additional notices are required, your Implementation Manager will provide them to you.

### Step 2 – Enroll Employees

An ADP Retirement Counselor<sup>1</sup> (if applicable) will contact you to discuss your employee education needs, schedule and conduct enrollment meetings. It is the Retirement Counselor's job to help your employees understand the plan and its features and empower employees to use the plan to its full potential.

- We will contact you to schedule an enrollment meeting to help your participants understand the features of your plan
- It's important that your participants attend the enrollment meeting
- Participants will be able to enroll in person or using our online enrollment application<sup>2</sup>



*If you are delivering these notices and disclosure materials electronically, there are specific methods you will need to use. Information on delivery methods will be provided with these materials.*



## Communicate Resources

For help with completing the steps in this phase, [\*click here.\*](#)

<sup>1</sup> Registered representatives of ADP Broker-Dealer, Inc., an affiliate of ADP, LLC, One ADP Blvd, Roseland, NJ. Member FINRA.

<sup>2</sup> Online enrollment requires a limited time access code obtainable by plan sponsors from ADP.



## Phase III – Activate

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The Activate Phase completes the steps necessary to finalize your plan conversion, enabling your plan to go live. During this Phase, existing plan assets have transferred and new plan contributions recordkept by ADP begin.

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To move to this phase, it is critical that ADP has all the information necessary to accurately recordkeep your plan and the previous phases of the implementation process have been successfully completed. Your Implementation Manager will work proactively with you and your prior recordkeeper to obtain all the information needed to activate recordkeeping services for your plan at ADP.

### Step 1 – Attend Plan Administrator Training

- You will be scheduled for Plan Administrator training prior to your plan start date. This training will provide you with the necessary information about ADP's recordkeeping processes and operating guidelines and using the Plan Sponsor website.

### Step 2 – Payroll Integration Setup and Initial Contributions

- Meet with your Implementation Manager to review the setup of your **SMARTSync** payroll integration if ADP is also your payroll provider.
- Your Implementation Manager will assist you with submitting your first contribution file if you are not currently an ADP payroll client.

### Step 3 – Transfer Existing Plan Assets

- Your current trustee transfers existing plan assets to your new plan trustee
- For cash conversions, existing plan assets transferred to your new trustee will be invested in a money market fund during the conversion blackout
- For mapped conversions, existing plan assets will be invested in accordance with the designated fund mapping

### Step 4 – Transfer and Reconciliation of Conversion Data

- Your prior provider sends final conversion data including participant investment election information
- ADP receives, conducts a data review, and requests additional information as needed
- ADP completes the data reconciliation and lifts the conversion blackout (this is expected to occur no more than 15 business days following the receipt of complete and accurate conversion data and reconciled assets in good order)



## Phase III – Activate, continued

### Step 5 – Plan Sponsor Website Access

- You will receive an email with your website credentials ahead of your conversion effective date. However, you will not be able to log in to the website until your plan's blackout has ended.
- On the Plan Sponsor website, you can access the Plan Administration Manual for instructions on ADP's recordkeeping processes and operating guidelines, as well as some of the basics of plan administration and compliance testing.

### Step 6 – Mail Welcome Letters

- Welcome letters with login information will be mailed to your eligible employees.



*We will require your assistance with missing information if we don't receive it from your prior provider. This is required for completing your implementation and lifting your plan's blackout.*

**Now that your Implementation is complete and your plan is out of blackout there are three additional items that need to be addressed within the first month your plan is with ADP**

Item	What you need to do	Check box when completed
<b>Complete Documentation for Annual Compliance Testing</b>	Provide us with: <ul style="list-style-type: none"><li>• Prior Year Nondiscrimination and Top Heavy Tests</li><li>• A copy of your most recent Form 5500 and related schedules</li><li>• A plan year-to-date valuation</li></ul>	
<b>Census Data Review</b>	Review the census data of participants who will soon be eligible to enroll to ensure they receive their Welcome letter at the proper time <i>(You can do this through the Plan Resource Center — you'll receive an email telling you how to access the site approximately one week prior to your conversion effective date)</i>	
<b>Small Balance Cash-out Program</b>	Fill out and return the Small Balance Cash-out Program paperwork <i>(This program is designed to assist plan sponsors in processing small balance cashouts for terminated participants — helping to alleviate your administrative burden)</i>	

# Communicate Phase Resources



## Overview of Required Notices During Plan Conversion

During the Communicate Phase, you will be required to provide employees and participants with notices and disclosure about the plan and plan changes. The chart below provides a basic overview of some of the notifications required during the conversion of your plan.<sup>3</sup>

Document	What it is	Who must receive it	When
<b>Blackout Notice</b>	The blackout notice provides advance notice to individuals with account balances in "individual account" plans (such as a 401(k)) when they will experience a blackout on their ability to engage in transactions involving their plan account	<ul style="list-style-type: none"> <li>Anyone with an account balance when blackout notices are distributed</li> <li>Eligible employees who enroll during the blackout, beneficiaries with an account balance and alternate payees under a Qualified Domestic Relations order (QDRO) with an account balance</li> </ul>	<ul style="list-style-type: none"> <li>Anyone with an account balance when the blackout notices are initially distributed — At least 30 but not more than 60 days prior to the beginning of the blackout period.</li> <li>Eligible employees who enroll during the blackout period and/or new beneficiaries and alternate payees — Upon enrollment or as soon as practicable.</li> </ul>
<b>Participant Fee Disclosure</b>	Required notice to eligible employees and participants describing general plan information, plan fees, and investment information.	<ul style="list-style-type: none"> <li>Eligible employees</li> <li>Participants (including terminated employees with a vested account balance)</li> <li>Alternate payees under a QDRO with an account balance</li> <li>Beneficiaries with an account balance</li> </ul>	<p><b>In Connection with your Plan Conversion:</b></p> <ul style="list-style-type: none"> <li>30-90 days before your Plan's conversion effective date (no later than when enrollment materials are furnished)</li> </ul> <p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>To newly eligible employees before they enroll</li> <li>Annually to all required recipients</li> <li>Updates if certain information changes mid-year (30-90 days before the change is effective)</li> <li>ADP will provide you with sample update letters if a change occurs that requires you to send an update notice</li> </ul>
<b>Summary Plan Description</b>	The SPD informs participants about plan features and what to expect of the plan. Among other things, it must include information about: when and how employees become eligible to participate in the plan; contributions to the plan; the plan's vesting schedule; when employees are eligible to receive benefits; how to claim benefits; and rights and obligations participants have under the plan.	<ul style="list-style-type: none"> <li>Eligible employees</li> <li>Participants (including terminated employees with a vested account balance)</li> <li>Alternate payees under a QDRO with an account balance</li> <li>Beneficiaries with an account balance</li> </ul>	<p><b>In Connection with your Plan Conversion:</b></p> <ul style="list-style-type: none"> <li>To current eligible employees on or before your plan's conversion effective date<sup>4</sup></li> </ul> <p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>To newly-eligible employees within 90 days of becoming a participant in the plan<sup>4</sup></li> <li>To beneficiaries and alternate payees within 90 days after an account is established in their name.</li> </ul>
<b>Safe Harbor Notice (If applicable)</b>	The notice is required by the IRS for a 401(k) plan that uses a safe harbor structure rather than performing nondiscrimination 401(k) contribution testing.	All eligible employees, whether or not they participate in the plan.	<p><b>In Connection with your Plan Conversion:</b></p> <ul style="list-style-type: none"> <li>Plans adding Safe Harbor at conversion or converting as of the first day of the plan year with an existing Safe Harbor.             <ul style="list-style-type: none"> <li>– 30-90 days before conversion effective date</li> </ul> </li> <li><b>Plans with an existing Safe Harbor converting other than the first day of the plan year:</b> <ul style="list-style-type: none"> <li>No need to distribute a new Safe Harbor Notice absent a permitted midyear change effective on conversion. If so, 30-90 days before conversion effective date.</li> </ul> </li> </ul> <p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>Annually – 30 to 90 days before new plan year starts.</li> <li>Newly-eligible employees by the date they become eligible to participate (but no more than 90 days before)</li> <li>Supplemental notices, depending on plan terms</li> </ul>

<sup>3</sup> ADP, LLC and its affiliates do not offer investment, financial, tax or legal advice, and nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or plan. You should consult with your own advisors for such advice.

<sup>4</sup> If your plan includes a 401(k) Safe Harbor feature, the SPD must be provided to newly-eligible participants at the same time as the Safe Harbor Notice.

# Frequently Asked Questions about Conversion



**1. What is the deadline to ensure your employees who will be eligible on the conversion effective date get enrolled in the plan prior to the conversion effective date**

Enrollments should be submitted at least one week prior to the first payroll of the month in which your plan converts. Enrollments received after this time will generally be processed in the first payroll cycle after receipt.

**2. Can employees enroll online?**

At initial enrollment meetings and throughout the conversion process, eligible employees can complete the enrollment process using our enrollment site through the web or a mobile device. Your Retirement Counselor (if applicable) will review the online enrollment process with you, provide communications needed for enrollment and conduct the meetings.

Employees who become eligible after the end of the conversion blackout will receive login information for enrolling on the participant website.

**3. Can participants continue making contributions and loan repayments during the conversion blackout period?**

Yes, contributions and loan repayments to the Plan will not be interrupted.

**4. If there are contributions during my plan's conversion that are not processed by my prior provider, how do I get those processed by ADP?**

When we begin the conversion process, you should inform us of any pay periods prior to your start date that will not be posted by your prior provider.

If you use ADP payroll, your Implementation Manager will have you verify the pay periods and the contribution amounts to be debited from your designated bank account. After your plan's conversion effective date, the contributions will be processed and the funding will be impounded directly from your designated bank account.

**5. Can a participant request a loan or withdrawal during the conversion blackout?**

Loans and withdrawals cannot be requested or processed during the blackout period. Once the plan's implementation is completed and blackout is lifted, participants will be able to request loans or withdrawals.

**6. When will participants have access to ADP's participant website? How will they receive their login credentials for the site?**

Your Implementation Manager will notify you when the blackout period has ended. Your participants can access their accounts using our Voice Response System or the participant website at that time.

ADP will mail Welcome Letters with login information to all eligible employees when the blackout is lifted.



## 7. How do my employees log into their account online once the blackout period has ended?

The welcome letter your eligible employees receive will include the following details as well as other guidance:

- a) Log onto the participant website
- b) Click on Register Now
- c) Enter Social Security Number, Date of Birth and Zip code
- d) Click on Register and follow the steps to complete the registration process



*If this does not work, make sure the participant's Zip code and birthdate are correctly entered into Payroll.*

## 8. Why is it important that my payroll records are accurate and complete?

Incorrect or incomplete data, such as dates of hire, birthdates, termination dates, and compliance coding can affect aspects of your plan's operations, such as eligibility determinations, reporting, compliance testing, and your participants' ability to access the participant website.

## 9. When do I need to submit compliance coding?

You should update compliance coding during your plan's start month and make any necessary updates throughout the year.

## 10. Who will complete last year's 5500?

As the asset transfer letter details, your prior provider must complete your 5500 and year-end testing for all plan years (including any short plan years) ending on or before the date all plan assets have been transferred to the new trustee.

## 11. How long should implementation take?

Typically, the entire conversion process should be completed in 60-65 days from the date all required documentation is received in good order but may vary based on complexity.

## 12. What can help the process go more smoothly/quickly?

The most critical element to quickly implement and properly recordkeep your plan is receiving accurate, complete information from your prior plan provider. We will reach out to you for help if we are missing information because this will impact our ability to complete your implementation.

## 13. Why do I need to attend plan administrator training?

At ADP Retirement Services, we pride ourselves on making administration easy. During the training session, you will learn how to use our Plan Sponsor website and all the tools we offer to help make it simple to administer your plan. This is the first of 5 instructor-led training programs that are offered to Plan Administrators.

## Frequently Asked Questions about Conversion



**14. Who do my employees call with questions once the plan is no longer in blackout?**

The participant website contains an abundance of helpful information. Participants who prefer to speak with an ADP Representative can call the Participant Call Center.

**15. Can eligible employees roll over account balances from a prior employer's 401(k) plan?**

If eligible employees have a balance in a prior employer's 401(k) plan, they may be able to rollover that balance into your company's 401(k) plan. We have a support team to help you and your employees with this process. Please contact our Rollover Team for assistance at 1-877-401-5725.



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## Help Along the Way

Helping your employees plan for their futures is a big responsibility. You can count on ADP to be there with you every step of the way on the road toward retirement plan success. We remain by your side through every twist and turn on your journey, providing the support, tools, and access needed to find your way. We are dedicated to helping your plan succeed and, together, we can lead its participants to better results.

As you work with our exceptional service team, you will benefit from their in-depth industry knowledge on ERISA and compliance, investments, employee education and plan features to help you and participants maximize your ADP 401(k) plan. Your team of retirement professionals will work proactively with you on the ongoing management of your plan, in keeping the plan healthy and participants on track toward retirement readiness.

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