

THE 15 MOST COMMON ERRORS MADE IN EMPLOYEE BENEFIT PLAN AUDITS



Error, omissions and timing mistakes can result in significant penalties.

Mistakes made in your annual Employee Benefit Plan Audit can result in significant penalties. We can help you avoid these problems.

If you feel you may have issues in your own employee benefit plan with one or more of the mistakes listed here, please call us at (781) 407-0300. We can help you avoid the problems associated with an incomplete, late or misinterpreted audit.

Our dedicated group of experienced audit professionals can complete your audit properly, in less time, and at a lower cost than most other accounting firms.



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1. Late remittance of employee 401(k) deferrals including 401(k) loan repayments withheld from employees.
2. Not having amendments signed in a timely manner.
3. The plan document and summary plan description (SPD) do not match. (HINT: If they don't, Plan Document should always supersede the SPD.)
4. Plan document has not been kept up to date.
5. Signed trust document is missing or not up-to-date. (For example, the original trustees signing the document may no longer be working for the company.)
6. Definition of compensation errors. (For example, not deferring bonus compensation.)
7. Not having written election from a participant if they choose to exclude deferral on a bonus check. (A verbal request is not enough.)
8. Improper determination of eligible and ineligible employees. (This is especially common following a merger or acquisition.)
9. Incorrect plan entry dates. (This is usually due to improper counting of hours of service.)
10. Loan inconsistencies, such as granting more loans than the plan document allows.
11. Not having proper documentation for hardship distributions.
12. Following a hardship distribution, not halting deferrals for the participant for 6 months.
13. Employer match issues. (For example, if the sponsor does not want to make a matching contribution in a plan year, the Plan Document must first be amended to read matching contributions are "discretionary.")
14. Discrimination testing failures are not addressed in a timely manner, or not at all. (The sponsor cannot favor one group of employees over another!)
15. Failure to recognize partial plan termination. (This can easily occur if the sponsor has layoffs or other reduction in force issues.)

EMPLOYEE BENEFIT PLAN AUDIT SERVICES

If the accounting firm you hire to conduct your annual employee benefit plan audit is not going beyond the required minimums to help you become a better manager, it is time to look for a new auditor. Gray, Gray & Gray is qualified, competent and experienced in employee benefit plan audits. More than that, we have the ability to analyze your audit to identify potential problems as well as areas of opportunity.

The experienced, knowledgeable professionals in our Employee Benefit Plan Audit practice group perform all required audits, and prepare Form 5500 and other filings for benefit plan engagements.

Our dedicated practice group is the best way to ensure you are receiving the quality of service you require and deserve. We are also the best way to avoid the multitude of penalties that can result if your organization's required filings are not done correctly and on time.

Please visit our website at www.gggllp.com to learn more about the full scope of our Employee Benefit Plan Audit services and download important reference guides for your business.

PARTIAL LIST OF EMPLOYEE BENEFIT PLAN AUDIT SERVICES

- Full Scope and Limited Scope Audits of qualified defined contribution and defined benefit or employee benefit plans as required by ERISA 103(a)(3)(A) and 29CFR 2520.103-1(b)
- Audits of 403(b) plans
- Review of Form 5500
- Audits of plans requiring filing of Form 11K
- Multi-year audits of plans not compliant with annual reporting obligations
- Assistance with operational defects, plan terminations, or plan mergers
- Assistance with eligibility, vesting, deferral calculations and remittance and employer contribution calculations
- Technical updates from DOL & IRS



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