

## INSTRUCTIONS FOR COMPLETING CENSUS LISTING

### **PLEASE READ INSTRUCTIONS CAREFULLY, ESPECIALLY DEFINITIONS OF COMPENSATION**

On the attached Census Listing, please verify the printed data and complete the following items. Include **all** employees who received compensation during the plan year.

- Any missing data for employees listed.
- List any additional employees (including those hired and terminated during the year) and show all data items including compensation for the plan year. Make an indication in the "Remarks" column if the person is a rehire. Since rehires may be eligible to enter the Plan on their date of rehire, we need all previous hire dates and termination dates. Show this information in the "Remarks" column.
- In the "Remarks" column, indicate anyone who has changed his name or social security number. Be sure to mark changes on the old record. Do not mark the old record "terminated" and add the individual as a new employee.
- Amount of "Total Compensation" paid for the **plan year** for all owners and employees. **Please provide a total for this column.**

Total compensation includes **all** W-2 compensation paid to the employee including compensation earned under all social security numbers, plus compensation deferred under a 125 cafeteria plan, and compensation deferred under a 401(k) plan (both pre-tax or Roth).

If you are a sole proprietor, provide your Schedule C income. Indicate whether it is estimated or final.

If your organization is a partnership, provide K-1 earned income. Indicate whether it is estimated or final.

### **Important Change regarding Post-Severance Compensation**

New IRS regulations require that plan compensation include post severance compensation paid to a terminated employee. Compensation earned while employed, but paid after the date of termination must be counted for plan purposes including: regular pay, overtime, shift differentials, commissions, bonuses, and if elected, paid time off cashouts for unused sick, vacation or other paid leave. Compensation subject to this requirement would be paid during the "post-severance payment period" which is the later of 2½ months after termination of employment or by the end of the plan year that includes the date of termination. For example, if an employee terminates employment on the last day of the plan year, but receives post severance

compensation during the 2-1/2 months of the following plan year, this compensation must be counted for plan purposes even though it was paid in the following year.

Because compensation paid during a "post-severance payment period" is considered eligible compensation, you must report any 401 (k) contributions, matching contributions or other employer contributions allocated to an employee on this compensation.

**Note:** True "Severance Pay" is not counted for plan purposes. True severance pay, paid only because of an employee's termination of employment (i.e. not earned during employment) cannot be counted for plan purposes. This includes severance pay, parachute payments and payments from an unfunded deferred compensation plan that are payable only after severance.

- In the "Owner" column, indicate whether an employee is an "Owner" anytime during the Plan Year. If an "Owner", also show percentage of ownership.
- In the "Hours Code" column, indicate hours worked or paid for in the plan year by using the codes below:
  - "0" if 500 or less hours
  - "1" if greater than 500 hours and less than 1,000 hours
  - "2" if 1,000 or more hours.

**We need to know about hours worked for everyone, whether or not still employed on the last day of the plan year.**

- For terminated employees, indicate last day worked under "Termination Date" column.
- For any employee who is related to an owner, please indicate name(s) and relationship in the "Remarks" column.
- Ignore the column labeled "Entry Date". This column is for our use.