

# ADP 401k Enhanced

## MANAGING A SUCCESSFUL RETIREMENT PLAN REQUIRES NEARLY FLAWLESS EXECUTION.

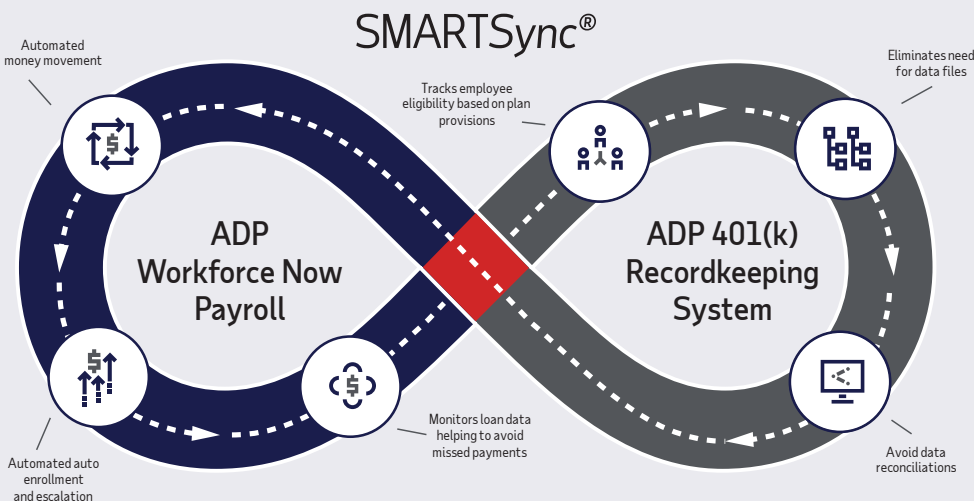
Data accuracy is critical, because a single error can quickly compound and lead to severe consequences. And the list of day-to-day administrative details can be time consuming and complex. When it comes to ensuring the timely remission of employee contributions, verifying plan administration in accordance with your plan document, and maintaining accurate employee census and historical contribution data, there is simply no margin for error.

## Real-time integration with SMARTSync®

When you combine ADP 401k Enhanced's recordkeeping technology with RUN powered by ADP® payroll, the outcome is SMARTSync®. This real-time integration solution saves time and money on plan administration and reduces potential compliance risk. The continuous data sharing between ADP's platforms means critical plan information and employee records are automatically shared and verified for accuracy. This intelligent programming delivers many benefits:

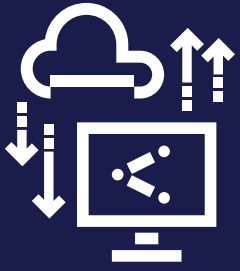
- Important data such as employee deferral changes, immediate eligibility<sup>1</sup> and indicative information are updated in real time - not in batch files processed overnight or at the next payroll cycle.
- Employee data remains within ADP's ecosystem — so, sensitive employee information is passed safely and securely — no file transmission via email or over the internet.
- No manual data entry or funding requests required and sophisticated programming identifies and flags potential data errors
- Automated Rehire Solution streamlines eligibility tracking and rehire process

Worry-free integration for RUN powered by ADP® payroll simplifies plan administration



Real-time integration means **data is updated in real time** — not in batch files processed overnight or at the next payroll cycle.

<sup>1</sup> If applicable to the plan.



SMARTSync is a **powerful integration solution:**

In 2020, **over \$10B** was moved annually, including **over \$750M** in contributions and loan repayments each month.

ADP Retirement Services, December, 2020.

## Advanced technology mitigates plan risk while simplifying administration

While the direct link between ADP's payroll and retirement plan recordkeeping systems syncs your plan data and checks it for accuracy, SMARTSync also applies its integrated smart, sophisticated programming to manage processes for you. For example, loan repayments can be managed using the preset conditions embedded in SMARTSync, which means the payments are applied promptly and repayment transactions cease when the loan has been satisfied. Such programming for loan administration can eliminate overpayments or missed payments resulting in retroactive corrections and associated fines.

Some providers offer an Automated Clearing House (ACH) method for managing processes such as loan administration. However, this method may be able to handle some administrative calculations, but it likely also requires a manual set up process, multiple vendors, and additional fees to accomplish the tasks. This can leave your data open to security risks, and should an issue arise, resolving it would require inquiries and management of multiple service providers — which can cost time, money, and resources.

SMARTSync ensures whether it's employee deferrals withheld from your most recent payroll run, or a change to an employee's investment elections entered via the participant website — innovative programming continually checks the data for accuracy and potential errors are flagged. This kind of thorough validation gives you relief from the headache of fiduciary risk, and more confidence in plan compliance and the accuracy of participant accounts.

### EFFICIENCIES

## Integration can mitigate your fiduciary risk



With SMARTSync you can have greater confidence in the accuracy of participant accounts and plan compliance. The table to the right details the advantages of intelligent, fully integrated systems.

		SMARTSync	Bi directional Data Feeds for Payroll and Retirement Plan Recordkeeping Systems
Contribution Processing – contribution remittance and changes to deferral elections	Reviews each request	Automated	Manually by you
	Verifies request meets plan rules	Automated	Manually by you
	Funds automatically impounded for contributions and reconciled to the contribution listing	Automated	Manual funding requests required
	Transmits changes to ADP's payroll and retirement plan recordkeeping systems	Automated	Manually by you
	Implements the changes	Automated	Manually by you
	Sends confirmation of deferral election changes to participant	Automated	Manually by you
Loan administration – when employee takes loan	Funds automatically impounded for loan repayment	Automated	You must calculate and process manually
	Reviews and verifies data	Automated	Manually by you
	Flags payment discrepancies and sends notification to plan sponsor	Automated	Manually by you
	When loan has been satisfied, payments cease	Automated	Manually by you
	Verifies whether loan matches plan provisions	Automated	Manually by you
Data reconciliation – verifies employee data	Checks and verifies ADP payroll and retirement plan recordkeeping data continuously	Automated	Manually by you
	Automated audit of data in both systems	Automated	Manually by you
Enrollment and eligibility – identifying and enrolling eligible employees	Automated transfer of data needed to track potential plan eligibility from ADP payroll system	Automated	Manually by you
	Sends mobile alert to eligible employees to encourage enrollment	Automated	Manually by you
	Sends welcome letter to eligible employees	Automated	Manually by you
	Sends employee confirmation letter once enrolled	Automated	Manually by you
	Sends employee contribution data to the ADP payroll system to update the elected amount from a participant's paycheck once enrolled	Automated	Manually by you (in some cases, payroll providers may accommodate a file feed to the plan's recordkeeper)
Automated Rehire Solutions	Identifies and updates rehires on incoming payroll data Automatic participant resets <sup>2</sup> include: - Removal of termination date and code - Clearing of prior deferral elections - Turn off Save Smart (if applicable) - Deletes prior PIN and reissues new PIN - Updates participant status, rehire status and enrollment status as appropriate - Automatic Enrollment plan participants go back through the automatic enrollment process with no plan sponsor intervention <sup>3</sup>	Automated	Manually by you
Deferral election changes – transmit changes	Automated transmission of changes to both ADP payroll and recordkeeping systems	Automated	Manually by you
	Verifies requests to meet plan rules	Automated	Manually by you
	Report sent using intelligent automation	Automated	Manually by you
Census information – collection of data for compliance testing	Automated gathering of data from ADP's payroll and retirement plan recordkeeping systems	Automated	You must manually gather and send census data
	Reconciles ADP retirement plan data with ADP payroll data	Automated	Manually by you
	Verifies annual compensation data in ADP's retirement plan recordkeeping system with data in ADP's payroll system	Automated	Manually by you
	Proactively completes ADP/ACP tests three times annually	Automated	Manually by you
Incremental costs in time, money and data security	Allocation reports, wire transfers, and/or checks	Provided at no additional expense	Potential additional expense
	Reconciling the same information several times from different sources	Not necessary	Manually by you
	Programming changes to keep your payroll system up to date with your recordkeeper's data requirements	Not necessary	Manually by you

2 Deferrals, Save Smart, and Automatic Enrollment resets are bypassed on an employee that submits a deferral on their initial rehire payroll

3 Not available for EACA/QACA plans



## MORE THAN A PROVIDER, ADP IS A RETIREMENT ALLY.

ADP connects you and your employees to data and technology that make retirement plans easy and engaging. Seamless access to data and insights keeps everyone in control of saving for retirement. And our extensive, real-world experience in HCM and data security means we make work easier so you and your employees can thrive.

### Seamless connections

We seamlessly enable the automatic flow of data through our ADP platforms to make retirement planning easy and accessible. You gain holistic plan visibility and benefit from simplified administration and compliance. Your employees gain a more informed and rewarding benefits experience.

### Personalized insights and education

Our data-driven approach to employee education solves unique challenges, uncomplicates retirement planning and empowers employees to make better decisions.

### Flexibility to meet your needs

We give you the flexibility to choose a plan design that best meet the needs of your business and your workforce.

### Security you can count on

We ensure that your employee data is secure, compliance is managed, and risk is mitigated.



# Let's Talk.



With an ADP retirement plan, you and your employees are always empowered and engaged to make better decisions about saving for retirement. To learn more about how our personalized insights, integrated technology and flexibility can meet your plan needs, go to [adp.com](http://adp.com).

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