

Installment #2

The Need for Good Payroll Data

What is “GOOD” Payroll Data and Why is it Important?

Good payroll data is complete and accurate payroll data on all employees each payroll period. Data collection for MVP begins with the payroll upload. Ensuring the data submitted is accurate and encompasses all employees each pay period helps maintain accurate participant records and allows your plan to operate with greater efficiency and compliance, as well as avoid errors that can cost both time and money. Participant census data is used to compute plan eligibility, vesting, contributions, non-discrimination testing, and more. It is the foundation for all plan functions. Incorrect data can result in missed eligibility, incorrect vesting, ineligible distributions, and failed compliance which can all lead to monetary corrections.

Payroll Data Needed

MVP requests both synoptic and financial payroll data each pay period on all employees. MVP provides a payroll template which outlines all the necessary data fields needed each pay period. This template can be used independently or provided to your payroll provider to assist in creating a report that can be imported directly to our system and alleviates manual manipulation of payroll data. Below is a list of the synoptic and financial information needed each pay period:

Synoptic Data

- Name (First, Last)
- SSN
- Address (Street, City, State, Zip Code)
- Date of Birth
- Date of Hire
- Date of Term
- Date of Rehire
- Email Address
- Mobile Number
- Division (if applicable)

Financial Data

- Gross Compensation
- Excluded Compensation
- Hours
- Pretax Contributions
- ROTH Contributions
- Employer Match (if applicable)
- Employer Non-Elective (if applicable)
- Loan Repayments

Compensation and Hours

Understanding your plan's definition of compensation is an important piece in providing accurate payroll data. The definition of compensation determines which types of compensation are included or excluded in gross wages to be reported. Your plan may have specific compensation exclusions such as bonus, commission, or fringe which are excluded for testing purposes but INCLUDED in reportable wages. Knowing what your plan includes or excludes in compensation is key for calculating accurate employee and employer contributions. It is also instrumental in completing non-discrimination testing. Click [HERE](#) to view the various compensation definitions allowed for a retirement plan. If you have questions regarding the definition of compensation for your plan, reach out to your Relationship Manager.

Hours of service for each employee allow MVP to project eligibility. If your plan has an hours requirement, MVP cannot calculate eligibility without hours being provided on each employee. If your employees are salaried, it is important to include the default hours for a pay period in the payroll file uploaded to our system. Also, due to updated eligibility rules surrounding Long-Term Part-Time employees, hours are more important than ever. For more information on LTPT employees, click [HERE](#).

Dates and Why They Matter

MVP requests a variety of dates on your payroll file each pay period. By providing dates of birth, hire, termination, and rehire on each payroll file, MVP is better able to track eligibility, employee status, distribution availability, and more.

Dates	Why They Matter
Date of Birth	<ul style="list-style-type: none">● Necessary to correctly calculate plan eligibility● Determine a participant's age-based qualified default investment● Critical data point to verify participant identity for secure account access.
Date of Hire	<ul style="list-style-type: none">● Necessary to assist in eligibility determination● Kickstarts clock for determining vesting
Date of Termination	<ul style="list-style-type: none">● Indicator for participant status changes● Creates distributable event so participants can request a distribution from the retirement plan● Stops clock for determining vesting
Date of Rehire	<ul style="list-style-type: none">● Participants are often eligible upon rehire so date is needed to determine eligibility and allow participants to re-enroll in the plan● Restarts clock for determining vesting if participant still has a balance in the plan

Participant Account Access

Security of Participant Account access is of utmost importance to MVP. To that end, MVP has implemented multi-factor authentication for account access which requires a valid email or mobile number to validate. This makes collecting participants' email addresses and phone numbers essential, as they won't be able to access their retirement accounts without them. Upon enrollment, participants are required to validate their synoptic data that has been reported on the payroll files. If that data is inaccurate, participants cannot access their accounts until the participant record has been updated through payroll.

Help is on the way

Keeping up with payroll can be overwhelming. MVP has partnered with multiple payroll providers to provide payroll integration for many of our plan sponsors. Establishing integration can streamline your processes, reduce or eliminate contribution errors and ensures all this data needed is provided each pay period! For more information, reach out to our payroll team at Payroll@mvp401k.com.