



**AMI Benefit Plan  
Administrators, Inc.**

*More than just administration . . .*

REPRESENTATIVE GUIDE



AMI Benefit Plan Administrators, Inc.

*More than just administration . . .*

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## *What Does AMI Do?*

AMI is a third party administrator and manager of pension plans. AMI will administer defined contribution as well as defined benefit plans on a stand alone basis or in conjunction with other pension plans.

- 401(k)/403b/457
- Profit Sharing
- Money Purchase
- Prevailing Wage
- Safe Harbor
- ESOP

*AMI Benefit Plan Administrators Inc. is a professional manager for your plan sponsor and is responsible for:*

- Enrollment Materials
- Loans
- Hardships
- QDROs
- Determine who is eligible for the plan
- Sending all material for employee distributions
- Working with Brokers and Advisors

## *Who is AMI's Target Market?*

AMI's target market consists of representatives who have developed relationships with employers that are in need of comprehensive pension plan administration and management. The representative chooses the level of involvement that s/he would like regarding day to day operations of the plan. The representative will need to work with AMI regarding to designing the plan and choosing the investments options.

### **Requirement**

- An employer who wishes to engage AMI for pension plan services must first have a representative. AMI does not provide investment advice to trustees or participants, nor do we provide services to employers other than in a pension plan administration or management capacity.

## *What Makes AMI Different From Other TPA Firms?*

### Comprehensive Plan Administration

Plan Administration includes the necessary documentation that is required for plan record keeping and compliance.

- Annual Plan Testing (if required)
  - 401(k) Test
  - 401(m) Test
  - Top Heavy Test
  - Coverage Test
  - Annual Additions Test
- Filing of IRS 5500 returns and schedules (if required)
- Accounting for Loans, Terminations and Withdrawals
- Plan Design and Installation
  - Plan Document
  - Summary Plan Descriptions
  - 5300 Series Filings
  - Plan Amendments/Restatements
- Annual Reports
  - Summary Annual Report
  - Participant Vesting Statements
  - Complete Reporting of All Testing Results
- Testing Corrections
  - Computing Refunds or
  - Computing Additional Required Deposits
- Allocations
  - Profit Sharing Deposits, etc.
  - Allocation of Forfeitures

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## Comprehensive Plan Management

Unlike most TPA firms which concentrate on Plan Administration, AMI specializes in *Plan Management*. Plan Management includes everything, in addition to plan administration, that is required to have a successful pension plan.

AMI's telephones are answered by staff members during all of our business hours.

- Phones are live-answered. The person who answers the phone can either answer your questions directly or transfer you to someone who can respond to the inquiry.
- Business hours extend into the evening. This allows participants to call either during work hours or after they get home, depending upon the preference of the employer.
- After business hours, phone menu options are geared toward service requests that will direct the call to a specialist for that function.

AMI publishes a bi-monthly newsletter for both representatives and employers.

- AMI will review changes in pension law, recent court cases and general pension updates.
- For representatives we include a supplement to the newsletter. The supplement includes sales ideas as well as tips on avoiding pitfalls when working with a pension plan.

AMI manages the enrollment process.

- Open Enrollment Dates. AMI tracks open enrollment dates. Approximately 2 1/2 months prior to the enrollment date, AMI will send to the employer a census form listing current participants, a blank census form for new employees and a summary page listing plan specifications. We ask the employer to check a box next to current participants who require a new enrollment kit and to list all new employees of the company on the blank census form. This information is to be returned to AMI. Confirmation of the elections by participants is sent to the employer and the representative.
- Eligibility. AMI will review the list of new employees and determine eligibility based upon the plan specifications.
- Customized paycheck illustrations. AMI will prepare illustrations for all newly eligible employees as well as current participants who require a new enrollment kit.
- Enrollment Materials. Enrollment materials include the customized paycheck illustrations, investment information and enrollment forms customized to the employer's plan. These materials will be shipped either directly to the company or to the representative as specified by the representative.
- Enrollment follow-up. If we do not receive information from the employer, AMI will follow-up with the company. This aids in ensuring that all eligible participants are given the opportunity to make deferral elections.
- Representative notification. If the representative has requested the enrollment kits to be sent directly to the company, AMI will fax directly to the representative a copy of the census forms we received from the employer, along with a summary of plan specifications.

Participants communicate directly with an administration specialist at AMI.

### ***Distributions***

- **Terminated Participants.** AMI will prepare a termination package for the terminnee and a company directive for the employer. The terminnee will receive the required tax notices, vested account balance and the proper forms for completion. The company will receive a copy of the cover letter that was sent to the employee as well as the necessary company form(s). When the forms are received from both the employer and the employee, AMI initiates the distribution.
- **Loan Requests.** Once AMI receives a request for a participant loan, AMI will either approve or deny the request based on the plan and government guidelines. AMI will prepare a loan package for the participant and a company directive for the employer. The participant will receive a loan application, irrevocable pledge and assignment, promissory note and federal disclosures, payroll withholding authorization, and spousal consent form (if applicable). These forms will be signature ready. The company will receive a copy of the cover letter that was sent to the employee as well as the necessary company form. As soon as the forms are received from both the employer and the employee, AMI will request the distribution. Copies of the forms will be forwarded to the employee. The amortization schedule and instructions for payroll deductions will be forwarded to the employer.
- **In-Service Distributions.** AMI will prepare a distribution package for the participant and a company directive for the employer. The participant will receive the required tax notices, vested account balance and the proper forms for completion. The company will receive a copy of the cover letter that was sent to the employee as well as the necessary trustee form. As soon as the forms are received from both the employer and the employee, AMI will initiate the distribution as directed by the participant.

### ***Processing participant service requests***

- **Increase/decrease deferrals.** AMI will prepare and fax a salary reduction agreement to the company, signature-ready for the participant. We will review the plan document to determine when the deferral change can become effective and notify the employer of the change and the effective date.
- **Beneficiary Changes.** AMI will prepare and fax a beneficiary designation form to the company for the participant. We will check the participant's marital status and plan provisions before accepting the change. The employer will receive the updated beneficiary information.
- **Name/address change.** Upon notification from the participant or the employer, AMI will fax a change form for completion.
- **Changes in investment options.** If the participant requests assistance in making investment decisions, AMI will provide the phone number for their representative. If the plan is maintained on our daily platform, AMI will provide the AMI voice response unit number and internet address.

### Preparation of government forms

- 5500 Forms are prepared utilizing EFAST approved software. AMI will prepare and file the forms on behalf of the employer prior to the filing deadline and forward a copy to the employer for their records. The employer does not have the annual rush of receiving, signing and forwarding forms prior to the deadline.
- Government forms filing software includes many validation features which help insure all numbers are balanced and all relevant questions are answered.

### Employer receives a notebook to organize relevant plan document information

- AMI will prepare a pension plan document notebook for the employer. Through maintenance of a pension plan document notebook, organization of plan documents is made convenient and easy for the employer.

### Multiple ways to access AMI

- AMI has a nationwide 800 number for representatives, employers and participants to call.
- AMI also has a Voice Response Unit (VRU) for daily plans which includes 800 number service for account balances, fund transfers and loan modeling, etc. VRU transactions can be conducted in either English or Spanish.
- Toll free fax number to receive and send forms for processing.
- The internet is heavily utilized for transmission of data over secure channels. An interactive website is also available for participant account balance and lookup as well as trading assets and changing future allocations.

### Audit services for employers

- If an employer should receive an audit notice from the IRS or the DOL, AMI may be contracted to work directly with either agency to conduct the audit.
- If a representative finds a plan with an audit in process, AMI may be able to conduct the audit on the employer's behalf, depending upon the circumstances and the current stage of the audit process.

### Availability of plan document information

- AMI personnel can access the document as well as the SPD directly from their computers, making it simple to verify document provisions.

- A summary of plan specifications can be printed at any time at the request of the representative or the employer. In addition, the information is provided to the employer and representative at every open enrollment period.

### Comprehensive testing results for employers and participants

- The employer will receive a cover page with the net result of the annual plan year testing. The testing results will be bound in a notebook and include the Summary Annual Report and the comprehensive reports for all tests performed.
- Participants will receive a copy of the Summary Annual Report along with a personalized statement of assets and vesting. The representative will receive a copy of the employer reports for reference.

## *What Does Automation Mean at AMI?*

Automation is achieved through computer programs that AMI develops to provide successful plan management. Some examples of programs are:

### Tracking participant data

- AMI's system provides tracking of participant data including basic census data, account balances by fund and source, and current vesting information.

### Contribution data

- AMI receives reports from employers concerning the deferral and match deposit. This information is uploaded directly to our system and is available for quick reference for deposit verification.

### Loan automation

- Automated worksheet for loan approval. AMI has developed a program that allows for input of participant data to determine maximum loan amounts. This includes checking for the \$50,000 and the 50% of vested account balance limitations in conjunction with outstanding loans.
- Loan Balances Tracked Daily Each time the deposit information is uploaded in our system, interest on each participant's loan is calculated from the time of the previous payment to the current payment, based upon the interest rate and the outstanding balance of the loan. The interest is added to the loan balance and the payment is deducted. If a participant would like to pay off a loan, AMI can enter a projected payoff date and give the participant the payoff amount.

- Employer notification when a loan is close to payoff. AMI will receive an alert from the computer system whenever a participant is within two payments of paying off a loan. The employer will be contacted in order to coordinate the last loan deduction for the employee.
- Employer notification of loan defaults. If a participant defaults on a loan, the computer system will print an alert and the employer is contacted. If necessary, AMI will prepare the relevant information for the defaulted loan.

### Termination processing

- Once AMI has received notice that a participant has terminated, AMI determines the current vested account balance and enters this information into our system. From there, a click of the mouse will print cover letters to the employer and employee, a distribution election form, tax notices and an authorized representative directive for payment. The system will check for joint and survivor provisions as well as the vested dollar amount and print those forms necessary for the participant. A tracking record will be created. If participant elections are not received back in a timely manner, an alert will be printed to notify AMI to either re-send the forms or process a forced distribution, depending upon the vested account balance. At all times, the status of the distribution is available to AMI personnel.

### Other distribution processing

- Other types of distributions, such as in-service (hardship withdrawals, 70½ distributions) and QDROs are processed and tracked in a similar manner as termination processing. For QDROs and hardship withdrawals, AMI utilizes specific checklists to determine if they can be approved.

### QDRO blocking

- Once AMI has received notice of a Domestic Relations Order that could affect pension assets, a processing block is placed on the participant's account. This block will allow for contribution processing while at the same time blocking requests for distribution of funds. This ensures that all moneys are protected until the QDRO order has been acted upon.

### Computer program available for matching calculations

- AMI has developed a computer program that allows AMI to enter salaries and remittance amounts for the period. This program will calculate the matching amount by participant. The deposit is totaled and AMI will forward the report to the employer for remittance and upload the data to the fund holder or the AMI daily system.

### In-house computer personnel

- AMI has computer programmers/technicians on staff. Whenever a new program or a program update is requested, the computer personnel are able to make changes in a timely manner.

## *What Kind of Service Support Can a Representative Expect to Receive?*

A representative can expect to receive the type of service support that allows the representative to service the investment needs of the plan and its participants:

### Terminations

- Notification of representative: when a participant terminates from an employer, AMI sends a notice to the representative via email or fax at the time the distribution kit is prepared for the terminatee. This notice includes employee name, company name, employee address, phone number, and proposed distribution amount. The notice allows the representative to have this information available before the terminatee has made his/her distribution election, allowing a valuable opportunity to provide retirement and financial counseling to the employee regarding the distribution. If the representative prefers not to be notified, or if notice is desired only when distribution amounts are above a certain threshold, AMI can accommodate the preference.

### Rollovers - information to employees

- At the request of the representative, AMI may include a representative provided brochure to the employee along with the distribution kit.

### Employer changes

- When AMI receives notification of a significant change concerning the employer, the representative will be contacted. These changes could include ownership restructuring, addition of a business line, or changes in retirement goals which may require the need for additional retirement planning.

### Notification of testing results

- AMI will send a copy of the annual testing results to the representative. These results will aid in planning for long-term retirement for the plan participants.

### Notification of denial of hardship or loan

- If a participant has requested a loan or hardship distribution and it has been determined that he/she does not meet the necessary criteria, AMI will notify the representative prior to the time the denial notice is sent to the participant. With this prior knowledge, the representative may be able to become proactive in notifying the employee and assist in finding a positive solution for the participant. The solution may be as simple as requesting a smaller loan amount or decreasing deferrals.

## Managing plan takeovers

- AMI works in conjunction with the representative, the employer and the previous funding company to manage the takeover process. AMI will work with the employer to prepare, signature ready, notification letters on behalf of the employer. AMI will submit the notice to the previous funding company, request the fund transfer and follow up with the various parties until the funds have been received and allocated. This includes managing the conversion schedule and preparing the Sarbanes-Oxley notices for participants (when required).

## Accommodation of direction of mail/packages

- AMI can accommodate the preferences of representatives regarding where contract paperwork or enrollment kits are shipped. Mail and packages may be sent to either the representative or to the employer.

## Paperwork flow

- In order to provide efficient management of the plan, AMI requests that all paperwork flows through the office of AMI. This allows AMI to efficiently manage the plan and co-ordinate the participant and plan level functions.

## Incoming employee rollovers

- If an employee has a rollover from another plan, AMI will assist the employee with the rollover process (if the plan document permits). AMI will complete the rollover paperwork from the previous employer and forward to the appropriate parties. If necessary, AMI will forward enrollment materials to the participant. In the event the participant requires assistance with investment choices, AMI will provide the phone number of the representative.

## *What Kind of Sales Support Can a Representative Expect to Receive?*

### Sales support – New plan

- AMI has assistance available to the representative who has a prospect and would like recommendations as to the type of plan to sell. The representative may contact AMI and provide whatever information is available. AMI will ask a series of questions which will help determine the suitability of specific plan types for the prospective employer. If required, AMI will ask the representative to obtain specific information. AMI will then provide the representative with recommendations for a plan type.

## Sales support – Existing plan

- If the employer has a plan in place, the representative can contact AMI and provide information as to the problems the current plan may be experiencing. AMI will assist the representative in finding a solution to the problem.
- AMI will provide phone support in the form of a conference call with your prospect to assist with plan design and service issues.

## Proposals

- Contact AMI for a proposal. We can provide a simple proposal containing basic AMI information and servicing costs. Or, AMI can prepare a more detailed proposal projecting employer contributions (matching, profit sharing, cross-tested, etc.) and savings in taxes to the employer.

## Audit services

- If the representative finds a prospect with a plan that has received an audit notice from either the IRS or DOL, contact AMI. The existence of an audit will not preclude AMI from taking on the plan.
- If an existing plan receives an audit notice, AMI should be notified immediately. If the employer chooses, AMI will work with the employer and IRS or DOL to provide the information necessary to respond to the audit request. If an on-site visit is required, AMI will request a transfer of the case to an office local to AMI so the visit can take place in the offices of AMI.

## *What is the Process for Setting up a Case with AMI?*

### Representative process

- Once a case is ready to be set up with AMI, the representative should notify AMI of the name, address, contact names and phone numbers of the employer, in addition to the representative's information.

### AMI process

- AMI will establish the basic case information in our system and then contact the representative and employer to gather the additional information necessary to prepare the documentation.

- AMI will then provide the representative with a package that includes all necessary paperwork, signature ready, to adopt a plan using AMI as their Third Party Administrator. The following items may be included in this package: an Administrative Service Agreement to adopt AMI as the new plan administrator, a copy of the Plan Document for the client's review, copies of the meeting minutes of the Board of Directors for the company to adopt the 401(k) plan, request for fund holder contract, a request for TPA transfer if applicable, invoice for the initial setup fee (if applicable), and a census form for the company to provide AMI with proper enrollment information. An envelope is also provided in this package for the return of all signed documents.
- If the plan is a takeover plan, AMI will also include in the package a checklist with the items required from your client to assist AMI in the conversion process. With the direction from the representative, we will provide all necessary paperwork to complete this conversion. This includes any letters that need to be sent to the previous fund holder to give instruction on the transfer.
- AMI will provide the representative with, or arrange for the representative to receive, employee kits with customized enrollment forms included to distribute to eligible employees for the enrollment process.
- AMI will track all of the paperwork back into our office, make copies, etc. and process the forms to all of the proper locations.
- Once the setup has been completed, AMI will be able to coordinate all of the plan administration and management functions.

### *Who Will an Employer or Representative Work With at AMI?*

AMI is made up of a group of dedicated professionals who will work with all employers and plans. AMI utilizes a team approach whereby teams are organized according to plan management functions. The following is a profile of the team leaders:

#### *Pamela L. Bobersky, CEBS, RPA*

Corporate Officer. Bachelor of Science in Business, Major in Marketing (Miami University, Ohio). Obtained RPA Designation, Currently pursuing CEBS designation. Key areas: marketing, unallocated plans processing, enrollment, customer service, plan administration, conducting AMIU classes. Began working in employee benefits in 1989. Co-ordination Team leader.

#### *Tim Halchuck*

Corporate Officer. Bachelor of Science in Business Administration, Major in Finance (Youngstown State University). Series 7, Series 63. Key areas: unallocated plans processing, finance, customer service. Began working in employee benefits in 1991.

## Martin Evans

Corporate Officer: Bachelor of Science in Communication (Ohio University). Currently pursuing CEBS designation. Key areas: plan administration, customer service. Began working in employee benefits in 1986. Plan Administration Team leader.

## Tracy Martin

Associate of Applied Business (Trumbull Business College) Key areas: new business, daily plan processing. Began working in employee benefits in 1999. Plan Management Team Leader.

## John A. Halchuck, CLU, ChFC, REBC

Earned CLU, ChFC and REBC designations (The American College). Key areas: new business, plan document design, technical questions, conducting AMIU classes. Began working in employee benefits in 1979.

## *Summary*

AMI Benefit Plan Administrators, Inc. was founded with the belief that more than just administration services should be provided to pension plans.

AMI operates under the premise that if someone calls with a question or requires assistance with any aspect of plan administration or management, we will provide the necessary information in a timely, complete and accurate manner. If there will be a delay for any reason, we will inform you of the delay and when to expect a response.

After all, your clients expect a high level of service from you. Why shouldn't they expect a high level of service from the pension plan administrator?