



## Allow Commonwealth to make your 401k Contributions with confidence

Employers should be very concerned with the methods used to communicate their employee's payroll by payroll 401k deductions and match information to their 401k Plan administrator (TPA). Penalties for not making deposits to employees' 401k accounts on a timely basis are steep and can be costly when even simple administrative mistakes get made.

As a result, the fear associated with making contribution mistakes causes many employers to choose a 401k plan offered by their payroll company and it's TPA. This choice is made even when the payroll company's plan offers fewer investment choices or the costs are significantly higher. Since many of these costs are paid for by the plan and it's participants, this is often not in the best interest of employees. Typically this decision is made because it is easy and because the combination of 401k administration and payroll is perceived as 'seamless.'

### Commonwealth's Retirement Plan Submission Services:

- Allow you to focus on more important, non-administrative tasks
- Ensures timely reporting and payment of plan contributions
- Ease your burden associated with Payroll Processing
- Accuracy is never an issue
- Safe, secure and automatic process

### The Process Works Like This:

- Employee Deferral and Employer Match Calculations based directly on your Payroll Info
- Data extract configured to match specifications to your plan provider
- Uploaded via secure SFTP Protocol to your plan recordkeeper on payroll processing date
- Plan recordkeeper debits your account in that payroll's amounts
- All data ties back to iSolved Retirement Reporting
- All for a Nominal Per Payroll Fee

#### For more information:

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**Fact and fiction are at play when you choose a 401k plan offered by a payroll company. As an employer and plan sponsor, you need to know both.**

<b>Fiction</b> Since it is all under 'one roof', the plan sponsor does not need to worry about contribution data not getting communicated or being inaccurate.	<b>Fact</b> Data being communicated is often derived from the employer's own input and it's rare that the payroll company will take ownership of the data you've provided them when you run payroll. Moreover, the payroll company will often impose requirements on the employer to 'self-test' as a way to avoid accountability.
<b>Fiction</b> It's going to be less expensive!	<b>Fact</b> There are two plan costs. One is the plan administration costs and the other is the plan investment costs. Both costs are increased so the payroll company can get their 'share' of both.
<b>Fiction</b> Not using the payroll company plan will ensure you violate the '7 day safe harbor rule', or you are guaranteed to make employee deferral deposits late unless you are on the payroll company's 401k plan offering.	<b>Fact</b> As long as the deferral information is communicated timely (usually by automation), the plan's deposits will be timely.
<b>Fiction</b> National payroll companies are the country's top TPA's by number of plans, so choosing the payroll company plan is obviously the best.	<b>Fact</b> Just because something is popular does not mean it is the best. Most of these companies experience a great deal of short-term or lost clients, because they cannot service their needs for the long haul.

**401k Contribution Service by Commonwealth Payroll & HR**

Commonwealth can handle communicating your 401k information to any 401k Provider and their TPA. By using the TPA's specifications provided by your 401k Plan, we ensure that the data is accurate and by automating the process, the data gets submitted securely and timely when you run payroll.

We don't benefit from a revenue share of administration costs or plan investment costs, but we do charge a nominal fee per payroll.

While your employees' 401k data at Commonwealth is not 'under the same roof' as your 401k plan's TPA, it is integrated, sent securely and accurate. So no matter which 401k company you choose, or TPA they work with, you can have peace of mind that the contribution data will be simple, and not something you need to worry about.

This is the best 401k choice for your employees and for your company!

**Why Commonwealth?**

Commonwealth offers payroll with the quality you expect – efficient, accurate, and secure – with features you didn't know you needed. An entirely customizable technology solution that integrates payroll, benefits, tracking, HR and time & attendance.

Commonwealth clients get the simple and sophisticated human capital services they need with the support of a team that knows and cares about them.

What HR or payroll problem are you trying to solve? We're confident that we have a solution for you. Please let us know how we can help!

**Commonwealth Payroll & HR**

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