



To: **Contributing Employers**

Re: **NORTHERN CALIFORNIA CARPENTERS 401(k) PLAN**

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**~ IMPORTANT REMINDER ~**

*Elective deferrals for the Northern California Carpenters 401(k) Plan are subject to different, stricter reporting requirements than employer contributions submitted to other Carpenters Plans, which are not withheld from pay checks. **Per Federal Regulation 29 CFR 2510.3-102(b)(1), employee elected 401(k) deferrals must be remitted as soon as administratively feasible after being withheld from an employee's pay check***

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In an attempt to assist employers in meeting rigid filing requirements, the Northern California Carpenters 401(k) Plan was specifically set up to provide employers the ability to electronically submit 401(k) contributions withheld on behalf of their employees to: *Welfare and Pension Administrative Service, Inc. (WPAS)*

For the convenience of employers remitting 401(k) contributions, WPAS mails each employer a recap report that identifies the following:

- Dates 401(k) contributions were remitted and deposited in the previous four week period
- List of employees for whom contributions were remitted in the last reporting period, and for whom no contributions were remitted in the current reporting period
- If applicable, the amount of lost earnings and liquidated damages owed for the previous four week reporting period

If you do not receive your recap reports regularly or need assistance in setting up electronic reporting and payment, please contact **WPAS at (800) 732-1121 (Extension #3300)**.

**Withholding Elected 401(k) Deferrals from Pay Checks**

Elective 401(k) deferrals must be remitted to WPAS as soon as administratively feasible after being withheld from an employee's pay check. If employees are paid weekly, withheld contributions are to be forwarded to WPAS weekly. In the event contributions withheld are not received by WPAS within the IRS mandated period of time, **delinquent contributions are subject to:**

- *Liquidated damages equal to \$20 or 10% of the amount withheld, whichever is greater*
- *Assessment of lost investment earnings owed to 401(k) Plan participants*
- *Any excise tax penalty that may be assessed on the Employer by the Internal Revenue Service or the Department of Labor*

It is the sole responsibility of delinquent employers to contact their tax advisors to determine if they are required to file Form 5300 in compliance with IRS instructions.