



**CARPENTER FUNDS ADMINISTRATIVE OFFICE  
OF NORTHERN CALIFORNIA, INC.**

[carpenterfunds.com](http://carpenterfunds.com)

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**To: Contributing Employers**  
**Re: NORTHERN CALIFORNIA CARPENTERS 401(k) PLAN**

**~ 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 Employee Compensation. **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.***

In an attempt to assist Employers in meeting these 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 the Carpenter Funds Administrative Office of Northern California, Inc. (CFAO).

For the convenience of Employers remitting 401(k) contributions, CFAO will provide 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.
- 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 CFAO by sending an email to [employerservices@carpenterfunds.com](mailto:employerservices@carpenterfunds.com).

**Safe Harbor Non-Elective Contribution** – The Carpenters 401(k) Plan is a Safe Harbor Plan and as such requires that Employers must make contributions on behalf of qualified Employees equal to at least 3% of the Employee's W-2 compensable wages. If you are not making an Annuity Contribution of at least 3% of a **Collectively Bargained Employee's** pay, that Employee is ineligible to participate in the 401(k) Plan, and you are not permitted to forward wage deferrals on that Employee's behalf. If you have signed a Collective Bargaining Agreement or Subscription Agreement allowing participation in the 401(k) Plan, your **Non-Collectively Bargained Employees** may make wage deferrals into the 401(k) Plan, but only if you make, or will make, a contribution to the Carpenters Annuity Trust Fund for Northern California and/or the 401(k) Plan that is at least 3% of your Non-Collectively Bargained Employee's pay as reported on the Form W-2. Employers who fail to meet the Safe Harbor mandates are subject to discrimination testing. **In the event that Safe Harbor Compliance cannot be determined, the individual Employee's 401k contribution will be returned and that Employee's participation in the 401(k) Plan will be suspended until the matter can be resolved.**

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

Elective 401(k) deferrals must be remitted to CFAO as soon as administratively feasible after being withheld from an Employee's Compensation. If Employees are paid weekly, withheld contributions are to be forwarded to CFAO weekly. In the event contributions withheld are not received by CFAO 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.