

Ascensus  
Owner-Only *Individual(k)*<sup>TM</sup>  
Plan Establishment Kit

Because delivering a  
quality plan shouldn't  
be a second job.

# Owner-Only Individual(k)<sup>TM</sup> Plan Establishment Kit



## Getting started...

Thank you for choosing Ascensus, LLC to provide plan document services for your Owner-Only Individual(k)<sup>TM</sup> qualified retirement plan. Please complete the following information to begin the document establishment process.

## Is the Ascensus Individual(k) Program Right for Me?

The Ascensus Individual(k) program is designed exclusively for owner-only businesses and for small businesses that can exclude non-owner employees that do not meet the definition of a Long-Term Part-Time employee (LTPT) from the Plan. The Ascensus Individual(k) program may be right for you if you meet these requirements.

- The Plan must cover only you (or you and your spouse) and you (or you and your spouse) must own the entire business (which may be incorporated, unincorporated, or LLC).
- The Plan must cover only one or more partners (or partners and their spouses) in a business organized as a business partnership, and all partners must own at least 10% of the business.

Before completing the Plan Establishment Kit, please consult with a tax/legal advisor to determine if the Ascensus Individual(k) program is appropriate for you. This Individual(k) program is intended to be the only plan maintained by the employer. If you intend to maintain or make contributions to any other retirement plan in addition to the Ascensus Individual(k), please consult with a tax/legal advisor to determine if the Ascensus Individual(k) program is suitable for you.

## Important notes to consider...

### ■ Deadline to Establish

- **All employers** can sign and adopt a new Individual(k) plan as late as their tax return, *plus extensions*. Only employer contributions can be funded and treated as being taxable for the prior year.
- **Sole proprietor or Single-member LLC** can sign and adopt a new Individual(k) plan until their tax return date, *excluding extensions*. They can fully fund their plan to include employer contributions and retroactive salary deferrals for the prior tax year.

### ■ Long-Term Part-Time Employees

- Due to the SECURE Act of 2019 (or SECURE 1.0), effective for 2021 and later plan years, employers were required to track all employees' hours and permit employees who have satisfied the plan's minimum age requirement and who have worked 500 or more hours in three consecutive years, to make elective deferrals to the employer's plan. The SECURE 2.0 Act shortens the period for these long-term, part-time employees from three years to two, effective for 2025 and later plan years.

## Please have this information ready before you start...

- Address
- EIN
- Email Address
- Employer Name
- Plan Name
- Phone Number
- Trustee Information (*if applicable*)

## The following must be completed to prepare your plan documents.

- Contact Information Form with Plan Design Questionnaire (PDQ) and
- Document Service Agreement (DSA) must be completed to prepare your plan documents.

Collectively, these forms comprise the Plan Establishment Kit. Once you have completed this kit, please return it to Ascensus using one of the following delivery methods.

**Email** [LPL-QRPDocuments@ascensus.com](mailto:LPL-QRPDocuments@ascensus.com)

### Regular Mail

Ascensus DCS Unit  
PO Box 577  
Fort Washington, PA 19034

### Express or Overnight Mail

Ascensus DCS Unit  
575 Pinetown Road #577  
Fort Washington, PA 19034

If you have any questions, please contact the Ascensus Document Compliance Service Team at 877-258-8499.

### **Next Steps...**

1. Ascensus receives the completed Plan Establishment Kit and reviews the documents for accuracy and complete information. **If additional information is required, Ascensus will contact you or your financial advisor. The Plan Establishment Kit is not your executed plan document.**
2. After all information is received, Ascensus will process and upload the pre-filled adoption agreement and trust and custodial agreement to our secure electronic signature website, Sertifi.
3. Once the adoption agreement and trust and custodial agreement are uploaded to Sertifi, the primary signer and any additional signers will receive invitation emails requesting they review and electronically sign the documents. The financial advisor listed on the Contact Information Form also receives an invitation email. The invitation emails will come from [services@sertifi.com](mailto:services@sertifi.com).
4. The electronically signed adoption agreement, trust and custodial agreement, and additional reference materials are the plan sponsor's executed plan documents. These documents can be printed or saved after all signatures are received.
5. The plan sponsor will also receive the following correspondence while establishing services:
  - A welcome email will be sent to the plan sponsor and financial advisor from Ascensus outlining services, contact information for Ascensus, and other helpful information. The welcome email will come from [LPL-QRPDocuments@ascensus.com](mailto:LPL-QRPDocuments@ascensus.com).
  - Two emails will be sent to the plan sponsor from our secure online payment management website, Billtrust. The first email will contain information on accessing their account on the Billtrust website and the second email will include their initial invoice for their enrollment fee. These emails will come from [ascensus@billtrust.com](mailto:ascensus@billtrust.com).



**Plan documents will not be processed if the Contact Information Form within the PDQ or DSA is incomplete, unsigned, or illegible.**

# Contact Information Form

## Financial Organization Information

<b>Employer Primary Account Number</b> <i>(financial organization account number)</i> <b>NOTE:</b> Account number is not required to process the PEK.	
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## Employer Information

<b>Employer Name ("Client", as listed in DSA)</b>	
<b>Plan Name ("Plan", as listed in DSA)</b>	
<b>Legal Address of Employer</b> <i>(P.O. box is not accepted)</i>	
<b>Mailing Address (if applicable)</b>	
<b>City, State, Zip</b>	
<b>Name of Primary Signer at Employer</b>	
<b>Title of Primary Signer</b>	
<b>Phone Number of Primary Signer</b>	
<b>Email Address of Primary Signer (Required)</b>	

*(This person is typically the business owner who will sign as Adopting Employer on the Adoption Agreement and is able to make plan document changes.)*

**NOTE:** Plans will not be enrolled in the Ascensus pre-approved plan document service without a valid primary signer email address. If the employer or plan name differs from the DSA we will default to the information input on the DSA.

## Additional Plan Contact at Employer

*(Optional. This person will not sign the adoption agreement.)*

<b>Name of Additional Plan Contact</b>	
<b>Phone Number of Additional Plan Contact</b>	
<b>Email Address of Additional Plan Contact</b>	

By signing this PDQ, I authorize Ascensus to provide information or documentation related to the employer or the plan to the Additional Plan Contact at Employer listed above, upon their request. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

Below in Part A, enter the individual's name who will be the plan's discretionary trustee (may not be Ascensus or any of its employees or representatives). A trustee must be named for the plan. If no Trustee is listed below, the primary signer will be listed as the Trustee for the plan.

## Trustee

*(The trustee may direct Ascensus to make plan document changes. This person will sign the adoption agreement.)*

### Part A. Trustee Information

<b>Name of Trustee</b>	
<b>Email Address of Trustee (Required if trustee and primary signer are different individuals)</b>	
<b>Legal Address of Trustee</b> <i>(P.O. box is not accepted)</i>	
<b>City, State, Zip</b>	
<b>Phone Number of Trustee</b>	
<b>Title of Trustee</b>	

**NOTE:** If you have more than one trustee for the plan, list additional trustees in the **Comments/Notes** section of this form.

**Part B. Limited Trustee (Complete if different than Trustee)**

A limited trustee is appointed solely for the purposes of ensuring the timely collection and deposit of employer contributions. If no limited trustee is listed below, the individual trustee listed in Part A of this section will be deemed to be a limited trustee. A limited trustee cannot be a financial organization.

<b>Name of Limited Trustee</b>	
<b>Email Address of Limited Trustee</b>	
<b>Legal Address (P.O. box is not accepted)</b>	
<b>City, State, Zip</b>	
<b>Phone Number of Limited Trustee</b>	
<b>Title of Limited Trustee</b>	

**Financial Advisor Information**

<b>Financial Organization Name</b>	
<b>Name of Financial Advisor</b>	
<b>Phone Number of Financial Advisor</b>	
<b>Email Address of Financial Advisor</b>	

By signing this PDQ, I authorize that Ascensus may provide information or documentation related to the employer or the plan to the financial advisor listed above according to Section 6.01 of the DSA. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

**Client Service Associate**  
*(Optional)*

<b>Name of Client Service Associate</b>	
<b>Phone Number of Client Service Associate</b>	
<b>Email Address of Client Service Associate</b>	

By signing this PDQ, I authorize Ascensus to provide information or documentation related to the employer or the plan to the financial advisor's client service associate listed above, upon their request. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.

# Owner-Only 401(k) Plan Design Questionnaire

This Plan Design Questionnaire (PDQ) gathers information needed to prepare an Ascensus pre-approved plan document. Ascensus is the Pre-Approved Plan Document Provider for your qualified retirement plan. This is a simplified plan for owner-only businesses. If you have employees, you should complete a 401(k) Plan Design Questionnaire.

- Employer must complete the Contact Information Form, Owner-Only 401(k) PDQ, and Document Service Agreement (DSA).
- Once Ascensus receives the completed forms, Ascensus will prepare the pre-approved plan document based upon the information provided in the PDQ.
- Ascensus will post the drafted documents to a secure website and will provide the employer with an email detailing how to access the site to retrieve the plan documents. All correspondence in connection with this service is conducted electronically.
- Upon receipt of the documents, the employer must confirm that the elections in the adoption agreement are correct, then sign and date the adoption agreement and all applicable amendments. (Ascensus recommends that the employer consult with a legal or tax advisor to review all plan selections—including any provisions defaulted to those frequently selected by employers, as further described later in this PDQ. Once the adoption agreement is signed, provisions can be changed only by a formal plan amendment.)
- The employer must return a copy of the signature documents to Ascensus.
- The employer should retain the original adoption agreement, basic plan document, summary plan description (if applicable), and all applicable plan amendments.
- Ascensus will provide future amendments to the pre-approved document through the secure website (whether the amendments are required by the IRS or requested by the employer).

## Part I – Plan Design Information

1. Employer's Tax Year End (Month/Day) \_\_\_\_\_ / \_\_\_\_\_ (If no date is entered, your Tax Year End will be defaulted to December 31)

2. Type of Business Organization (select only one)

- Sole Proprietorship     Partnership     Limited Liability Company     Nonprofit  
 C Corp     S Corp     Other \_\_\_\_\_

**NOTE:** Business organization definitions are available at [www.irs.gov](http://www.irs.gov) (keyword "Business Structures").

3. Employer Identification Number (EIN) \_\_\_\_\_ - \_\_\_\_\_ (Must be employer's Tax ID number – not a Social Security number)

### NOTES:

Ascensus requires that a plan EIN, not a Social Security number, be used for plan identification. If you do not have an EIN for your plan, you can easily obtain one at no cost by accessing the IRS EIN website at <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>.

The Internet EIN application is the preferred method for clients to apply for and obtain an EIN. Once the application is completed, the information is validated during the online session, and an EIN is issued immediately. The online application process is available for all entities whose principal business, office or agency, or legal residence (in the case of an individual), is located in the United States or U.S. Territories. The principal officer, general partner, grantor, owner, trustor, etc. must have a valid Taxpayer Identification Number (Social Security number, EIN, or Individual Taxpayer Identification Number) in order to use the online application.

Use IRS Form SS-4, Application for Employer Identification Number, to apply for an EIN. Form SS-4 is available at [www.irs.gov](http://www.irs.gov) (keyword "EIN").

4. Trust Identification Number (TIN) \_\_\_\_\_ - \_\_\_\_\_ (i.e., separate Trust ID number for the plan, if applicable)

**NOTE:** Only provide as needed. This is required if your plan assets will be held at a Trust. This is not the same as an EIN or SSN. Use IRS Form SS-4 application to apply for a TIN. Form SS-4 is available at [www.irs.gov](http://www.irs.gov) (keyword "Trust").

5. Internal Revenue Service (IRS) three-digit Plan Sequence Number (e.g., 001) \_\_\_\_\_ (If no number is entered, your Plan Sequence Number will be defaulted to "001")



If this is the first plan the employer has ever maintained, use 001. If this is a new qualified retirement plan, but not the employer's first qualified retirement plan, take the last plan sequence number used by the employer and add one. If this is a restatement or amendment of an existing plan, use the same plan sequence number on the prior adoption agreement or most recent Form 5500. This number, in conjunction with the EIN, is used by the IRS and DOL to identify the plan.

6. **Plan Effective Date:** Indicate below if this is a new plan or a restatement or amendment to an existing plan. A new plan is typically a start-up plan with no assets (*i.e., a plan not moving from another brokerage or investment firm*). A restatement or amendment is a takeover plan with existing assets. **The employer must select A or B (and C, if applicable).**

- A. **New Plan:** The plan's effective date is (Month/Day/Year) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (If option A is selected, and no date is provided, the effective date will be the first day of the first month of the employer's current tax year.)



The effective date cannot be earlier than the date the employer is established. For new startup plans making a profit sharing contribution in the first year: the plan's effective date should be the first day of the tax year if 1) the employer wants to make a profit sharing contribution in the first tax year, and 2) the employer chooses to use full-year compensation for employees who become eligible to enter the plan on the first day of the tax year. If the effective date is any day other than the first day of the tax year and the employer makes a profit sharing contribution in the first tax year, only compensation earned as of the participant's actual entry date (which would be on or after the effective date) will be used for allocation purposes.

- B. **Restatement or Amendment:** The initial plan adoption was effective on (Month/Day/Year) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (If option B is selected, a date is required, this date can be found on a prior plan document)

The restatement or amendment effective date will be 15 days after Ascensus receives this PDQ, unless a later date is indicated (Month/Day/Year) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

- C. **Frozen Plan:** Effective on (Month/Day/Year) \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ (If option C is selected, a date is required), this plan became a frozen plan. The employer will not make additional contributions to the plan after the date the plan was frozen.

**NOTE:** If the Frozen Plan box is checked and no date is provided, the adoption agreement will be drafted as a frozen plan with an effective date equal to the restatement or amendment effective date indicated above. If option C is selected, option A or B must also be selected.

## Part II – Eligibility

7. **Age:** There is no age requirement to participate in the plan, unless an age is indicated below:

- Age 18       Age 21       Other \_\_\_\_\_ (may not be greater than age 21)

8. **Service:** No years of eligibility service will be required to participate in the plan unless a different eligibility service requirement is indicated below:

- 1 year (12 months)       Other \_\_\_\_\_ (may not be greater than 12 months)

## Part III – Contributions

This plan type allows for pretax elective deferrals, Roth elective deferrals, and employer profit sharing contributions. Please see the section titled **Plan Design Highlights**, for additional contribution information.

## Part IV – Other Plan Elections

9. Loans are not permitted from the plan, unless indicated.

- Yes, loans are permitted from the plan.

## Additional Comments/Notes

Use this section to provide any additional information that will assist us in preparing the plan document (*attach additional page(s) if necessary*).

## Plan Design Highlights

In addition to the choices made on the prior pages, the following plan provisions will apply to your qualified plan. If you require any changes to the following assumptions, please contact Ascensus to discuss options available.

### Eligibility

**Eligibility Computation Period.** The initial eligibility period is from the date of hire to the first anniversary of that date. Once that initial period is completed, if an employee has not met the plan's eligibility requirements the eligibility period will switch to the plan year.

**Eligibility Requirements.** All employees must satisfy the requirements to become eligible. A year of eligibility service means an eligibility computation period in which an employee completes 1,000 hours of service. To avoid a break in eligibility service, a participant must exceed 500 hours of service.

**Excludable Employees.** Union employees and nonresident aliens are excluded from the plan. Acquired employees will be excluded during the transition period as applicable. All other employees of the adopting employer and employees of related employers will not be excluded from the plan.

**Entry Dates.** After meeting the plan's eligibility requirements, an employee may enter the plan on the first day of the plan year and the first day of the seventh month of the plan year (semi-annual entry dates).

**Long Term Part Time Employees Eligibility.** Effective for 2021 and later plan years, employers are required to track all employees' hours and permit employees who have satisfied the plan's minimum age requirement and who have worked 500 or more hours in three consecutive years, to make elective deferrals to the employer's plan. The SECURE 2.0 Act shortens the period for these long-term, part-time employees from three years to two, effective for 2025 and later plan years. A long-term, part-time employee will be eligible to become a participant in the plan for purposes of elective deferrals.

### Contributions

**Age 50 Catch-Up Contribution.** All participants who are eligible to make elective deferrals under the plan and who reach age 50 before the close of the plan year will be eligible to make age 50 catch-up contributions.

**Benefit Accrual.** Employees who cannot be reemployed because of death or disability incurred while performing qualified military service will not be considered reemployed under USERRA. These employees will not be entitled to benefit accruals for the time they were providing military service or for the plan year in which the death or disability occurred.

**Effective Dates for Elective Deferrals.** If this is a new plan or if this is an amendment that is adding an elective deferral option (either pretax or Roth), the effective date for elective deferrals is the next payroll date coinciding with or following the later of 1) the date the adoption agreement is signed, or 2) the effective date provided in Question 6. The date specified for pretax elective deferrals must either be the same date or an earlier date than that selected for Roth deferrals.

**Elective Deferrals Defined.** The term elective deferral and all elections regarding elective deferrals include both pretax and Roth deferrals.

**Elective Transfer Contributions.** Subject to uniform and nondiscriminatory rules, the employer may permit elective transfer contributions by employees. Participants may withdraw their elective transfer contributions at any time.

**In-Plan Roth Rollovers.** Direct and indirect in-plan Roth rollovers are permitted in the plan.

**Limits on Elective Deferrals.** A participant may defer any dollar amount or percentage of compensation up to the limits permitted by laws and regulations.

**Nondeductible Employee Contributions.** Nondeductible employee contributions will be permitted into the plan.

**Profit Sharing Contributions.** The employer may contribute an amount to be determined from year to year. The discretionary amount will be allocated using a pro rata formula.

**Qualifying Participant.** A participant who is employed on the last day of the plan year or works at least 500 hours will be eligible to receive an employer profit sharing contribution.

**Rollovers.** The plan will accept direct rollover contributions of pretax, Roth and nondeductible amounts and indirect rollover contributions of pre-tax amounts and earnings from Roth accounts from a qualified retirement plan described in Internal Revenue Code Sections (IRC Sec.) 401(a), 403(a), a 403(b) plan, and an eligible governmental 457(b) plan. In addition, the plan will accept rollover contributions of pretax amounts from Traditional IRAs described IRC Sec. 408(a) and 408(b). Rollover contributions may be withdrawn at any time.

**Vesting.** Profit sharing contributions will be 100% vested.

### Distributions and Loans

**Distributable Events.** A participant's full vested balance will be available for distribution when the participant terminates employment, attains age 59½, incurs a disability, dies, attains normal retirement age, or upon plan termination. In-service distributions are also available as described below.

**Distribution Options for Military Personnel.** Qualified reservists can take a distribution of their elective deferrals. Participants who are performing qualified military service and are deemed to have severed their employment may take a distribution of elective deferrals, QNECs, and QMACs. In addition, participants on active military duty for at least 30 days may take a distribution of their elective deferrals.



**Forms of Distributions.** Participants may take distributions in one or more of the following forms of payment: 1) in a lump-sum payment, 2) in a partial payment, 3) in installment payments, or 4) they may apply the distribution towards the purchase of an annuity contract. For married participants, spousal consent is required for certain distributions.

**Hardship Distributions.** Hardship distributions of elective deferrals will be restricted to the safe harbor expenses, which are 1) medical care, 2) purchase of a principal residence, 3) tuition, 4) prevention of eviction or foreclosure, 5) funeral or burial expenses, 6) casualty losses, and 7) expenses and losses (including loss of income) incurred by the employee on account of a disaster declared by the Federal Emergency Management Agency (FEMA). If an employee takes a hardship distribution it will include earnings, a six month suspension on elective deferrals will not apply and employees will not be required to take a plan loan before receiving a hardship distribution. Hardship distributions of profit sharing contributions are available to participants when there is an immediate and heavy financial need. This includes, but is not limited to, the safe harbor reasons listed above. The plan will not permit hardship distributions on account of a hardship incurred by the participant's primary beneficiary.

**In-Service Distributions of Profit Sharing Contributions.** An employee who has been a participant for at least five years may receive an in-service distribution of the entire vested account balance. An employee who has been a participant in the plan for less than five years may withdraw only the vested amount that has been in the plan for at least two full plan years.

**Required Beginning Date.** For purposes of determining when required minimum distributions must begin under the Plan, the required beginning date is the later of the April 1 of the calendar year following the calendar year in which a participant reaches age 73 (age 70½ if the participant attained age 70½ before 1/1/2020, and age 72 if the participant turned age 72 after 12/31/2019 but before 1/1/2023) or retires, except that distributions to a five-percent owner must begin by April 1 of the calendar year following the calendar year in which the participant reaches age 73 (age 70½ if the participant attained age 70½ before 1/1/2020, and age 72 if the participant turned age 72 after 12/31/2019 but before 1/1/2023).

<b>Birth Date</b>	<b>Age to begin RMDs</b>
June 30, 1949 or Earlier	Age 70½
July 1, 1949 through and including December 31, 1950	Age 72
January 1, 1951 and Later	Age 73

### **Other Plan Elections**

**Compensation.** For contribution purposes, compensation will be defined as W-2 compensation. Compensation will include deferrals under cafeteria plans, qualified transportation fringe benefit plans, 401(k) plans, salary deferral SEP plans, and 403(b) tax-sheltered annuity plans. The compensation measuring period will be the plan year and will include compensation for the entire plan year. A participant's regular compensation received within 2½ months after severing employment (or after the end of the limitation year, if later) will be included in the compensation definition. For any self-employed individual covered under the plan, compensation means earned income. Differential wage payments provided to individuals who are active duty members of the uniformed services will be included in compensation.

**Hours of Service.** Hours of service will be determined based on the actual hours for which an employee is paid or entitled to payment.

**Investment Elections.** Participants will be permitted to select investments for their entire account, choosing from the investment options available under the plan. Life insurance and qualified longevity annuity contracts will not be permitted as investment options in the plan.

**Limitation Year.** For purposes of annual additions testing under IRC Sec. 415, the limitation year is the plan year.

**Normal Retirement Age.** The plan's normal retirement age will be age 59½.

**Plan Year.** The plan year end will coincide with the employer's tax year end.

## Employer Agreement and Signature

1. I have read and understand the choices elected within this Owner-Only 401(k) PDQ. The information provided in this PDQ and any ancillary information provided for the purposes of completing the plan documents are, to the best of my knowledge, correct and complete.
2. I represent that I am authorized to sign on behalf of the employer (e.g., President, Officer, or other person legally authorized to act on behalf of the entity that established or is establishing the plan).
3. I understand that Ascensus does not provide legal nor tax advice and I have consulted with my legal and tax advisors regarding the plan and the PDQ. If there is a prior plan document, I understand that I am responsible for ensuring that appropriate protected benefits are preserved as required by the Internal Revenue Code. I also understand that Ascensus has not reviewed the prior document.
4. I agree to receive all pre-approved plan document communication by email and to notify Ascensus of any change in email address. I understand that failure to notify Ascensus of any email address change may result in the plan not receiving required IRS restatements or amendments and can result in the disqualification of the plan by the IRS. I also acknowledge that Ascensus may provide information or documentation related to me, the employer, or the plan to the financial advisor listed above. I am responsible for providing written notification to Ascensus if the contact information changes or if I wish to revoke this designation.
5. I understand that this PDQ is not an adoption agreement. Upon receipt of this PDQ, Ascensus will create an adoption agreement for my signature along with other materials, including the corresponding amendments and basic plan document. For a newly adopted plan, the adoption agreement and any applicable amendments must be signed by the end of the plan year in order to make a contribution for that plan year.
6. I understand that this PDQ must be submitted to Ascensus with a completed and signed DSA before my adoption agreement will be processed and delivered to me.
7. I understand that after the adoption agreement has been signed, future changes to plan provisions can be made only by a formal plan amendment.

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Authorized Signature

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Name

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Date



**Return the Contact Information Form, PDQ, and DSA to Ascensus using one of the following delivery methods.**

**Email** [LPL-QRPDocuments@ascensus.com](mailto:LPL-QRPDocuments@ascensus.com)

**Regular Mail**

Ascensus DCS Unit  
PO Box 577  
Fort Washington, PA 19034

**Express or Overnight Mail**

Ascensus DCS Unit  
575 Pinetown Road #577  
Fort Washington, PA 19034

Neither Ascensus nor any of its employees provide legal or tax advice. You must consult with your legal or tax advisor when making decisions about a retirement plan.

# Document Service Agreement



This Document Service Agreement shall be effective on the date reflected in the Client signature section at the bottom of this agreement as provided by the Employer's signatory.

Employer Name ("Client") \_\_\_\_\_

Plan Name ("Plan") \_\_\_\_\_

This Agreement is made between Ascensus, LLC ("Ascensus") and Client and sets forth the terms and conditions pursuant to which Ascensus will provide services to the retirement plan known as the Plan, which is adopted by Client.

1. **EFFECTIVE DATE AND TERM.** The term of this Agreement will begin on the Effective Date and will continue in effect until terminated pursuant to Section 5.

## 2. SERVICES

2.01 **General** – Ascensus will provide to the Plan the services ("Services") set forth on Schedule A to this Agreement. Any additional services must be mutually agreed to in writing by the parties. Ascensus will perform the Services only for the Plan and only using data with respect to the Plan, even if there are other benefit plans related to the Plan. It is within Ascensus' sole discretion to reasonably modify Schedule A from time to time upon written notice to Client of such modifications. A detailed description of the specific responsibilities of Ascensus and Client is set forth on Schedule B to this Agreement. Ascensus and Client agree to perform the tasks for which it is responsible according to Schedule B. Any service or task not set forth on Schedule A or B is Client's responsibility. Ascensus will act only upon Client's instructions, which are provided to Ascensus either in writing or by mutually agreed upon electronic means. Ascensus will have neither access to Plan assets nor discretionary authority or control over the management of the Plan or Plan assets. Client is responsible for establishing the Plan, reviewing the Plan document, maintaining the qualified status of the Plan under the Employee Retirement Income Security Act ("ERISA") as amended, and federal tax law set forth in this Agreement.

### 2.02 Plan Document Services –

- (a) Ascensus will provide pre-approved plan document services to Client using an Ascensus pre-approved plan document under the IRS mass submitter program. Client acknowledges that it is responsible for choosing the specific plan document that is appropriate for Client and taking all necessary actions to adopt the plan (e.g., adopting a board resolution if necessary, providing participant notices, and ensuring all administrative responsibilities for the Plan are performed within the recommended timeframes imposed by the IRS and DOL). Client acknowledges that Ascensus has provided no advice regarding the document used by Client, nor its provisions. Client acknowledges that it intends to use an Ascensus pre-approved plan document for which Ascensus acts as provider as that term is defined in the applicable IRS Revenue Procedures, and acknowledges and agrees that Ascensus' responsibilities as provider will automatically end upon the termination of this Agreement as set forth in Section 5.
- (b) Client represents and warrants that the pre-existing plan: (i) is qualified under Internal Revenue Code Section (IRC Sec.) 401(a) and is exempt from tax under IRC Sec. 501(a), and that the plan has been amended for all legislative or regulatory changes; and (ii) has operated in compliance with all ERISA and Internal Revenue Code requirements, or Client has taken the appropriate steps necessary to correct any compliance failures. Client will provide Ascensus with accurate and reliable information as set forth in Ascensus' plan establishment materials. Ascensus will not review prior plan documents, prior administrative or recordkeeping work, or IRS and DOL filings or reporting performed by parties other than Ascensus for pre-existing plans. Ascensus will generate plan documents and perform the Services based solely on the information supplied by Client using the documents and information-gathering tools provided by or approved by Ascensus. Client acknowledges that it is responsible for reviewing the documents prepared by Ascensus prior to execution and is responsible for the accuracy and suitability of the same.
- (c) Client acknowledges that it will use the pre-approved plan documents as provided by Ascensus without modification to the pre-approved language. Any such modification will render the document an individually designed document for which Ascensus has no responsibility and is a violation of Ascensus copyright.
- (d) Client acknowledges that Ascensus is not a fiduciary. Ascensus will have no obligation to notify Client of any plan compliance failure except to its reasonable knowledge the failure of Client to timely amend its plan document for regulatory purposes. Client acknowledges and agrees that it is solely responsible for the completion and execution of the plan document and agrees that failure to timely update the plan may jeopardize the qualified status of the plan and result in adverse tax consequences.
- (e) Ascensus may rely upon the completeness and accuracy of all information provided to Ascensus by Client, and Ascensus will not be responsible for any errors, delays, or additional costs resulting from the receipt of incomplete, inaccurate, or untimely information from Client. No information with respect to the Plan known by a parent, subsidiary, or affiliate of Ascensus will be attributed to Ascensus or considered imputed knowledge of Ascensus.
- (f) Client acknowledges that it will follow the procedures set forth in the "Roles and Responsibilities" listed in Schedule B of this Agreement.

(g) Ascensus may provide Client with access to the Plan's information via email or secure electronic signature website. Client is responsible for installing the necessary hardware and software, as determined by Ascensus if needed.

**3. FEES AND EXPENSES. Ascensus will receive document service fees ("Fees") set forth on Schedule C to this Agreement.**

Ascensus will be entitled to charge reasonable interest on any past-due Fees. Ascensus may discontinue providing any or all of the Services if Client fails to pay all Fees when due. Fees billed are nonrefundable and will not be prorated if Client commences or terminates Services during the year. Fees may be subject to state and local taxes. Fees are to be paid for the year in which the pre-approved plan document services are established, and then prospectively on an annual, calendar-year basis in January thereafter. Ascensus reserves the right to modify the Fees and the timing of such Fees upon not less than 90 days written notice to Client. Client shall be responsible for Fees if the termination of services' effective date carries into a subsequent calendar year (60 days after written notice, as outlined in Section 5.01(a)). If Client terminates any of the Services before Ascensus completes a plan document, Ascensus reserves the right to charge a \$50 cancellation fee for work performed. If Client elects to pay the Fees from Plan assets, Client acknowledges that it is responsible for ensuring that the plan documents, and applicable laws, rules and regulations permit the payment of the Fees out of the Plan's assets. Client agrees to responsibility of all fees as outlined in this Agreement.

**4. INDEMNIFICATION AND LIMITATION OF LIABILITY**

(a) Client will be liable for and indemnify Ascensus, its officers, directors, shareholders, employees, parents, subsidiaries, affiliates and agents (collectively, the "Indemnitees") against, any and all expenses, costs (including defense costs and reasonable attorneys fees), liabilities, damages, claims and losses (collectively, "Damages") suffered or incurred by an Indemnitee to the extent based on or arising out of a breach of any of Client's representations, warranties, or covenants set forth in this Agreement, or Client's negligence or willful misconduct, or any claim or action with respect to the services.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, ASCENSUS WILL NOT BE LIABLE TO CLIENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SIMILAR DAMAGES, INCLUDING LOST REVENUE, LOST PROFITS AND LOST OR DAMAGED DATA, EVEN IF ASCENSUS WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN NO EVENT WILL ASCENSUS' AGGREGATE LIABILITY UNDER THIS AGREEMENT FOR ALL DAMAGES PERMITTED UNDER THIS AGREEMENT EXCEED THE ANNUAL SERVICE FEE PAID BY CLIENT TO ASCENSUS DURING THE 12 MONTHS BEFORE ASCENSUS RECEIVES WRITTEN NOTICE OF THE FIRST DAMAGES CLAIM. THIS LIMITATION ON ASCENSUS' LIABILITY FOR PERMITTED DAMAGES WILL NOT APPLY TO PERMITTED DAMAGES CAUSED BY ASCENSUS' FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

(d) Upon Client's receipt of any reports or written communications from Ascensus or a third party acting on Ascensus' behalf, Client must notify Ascensus in writing of all inaccuracies and errors reflected in such reports or communications, with a complete description of the inaccuracies or errors, within 30 days after Client's receipt of such report or communication. After 30 days, the information provided in such reports and communications will be deemed correct, and Ascensus will have no responsibility for any inaccuracies or errors that may exist, including any responsibility to correct any records or to make the Plan or the affected participants whole for any investment losses or any other consequences resulting from such inaccuracies or errors.

(e) If applicable, the following terms and conditions will apply to Automated Clearing House (ACH) process for payment of fees.

Client appoints and authorizes Ascensus to transmit Client's ACH instructions to one or more clearing brokers or similar parties selected by Ascensus and to take such other actions as are necessary to effect ACH transactions for the Plan. Client acknowledges and agrees that such appointment and authorization shall in no way confer upon Ascensus the status of Ascensus as plan administrator or other fiduciary for the Plan as those terms are defined in ERISA, as amended, or otherwise. Submission of data to Ascensus constitutes Client's representation and warranty that: (i) there are sufficient funds in the appropriate account to complete the ACH transaction, and (ii) the data submitted to Ascensus is accurate. Client must notify Ascensus promptly after its receipt of a communication related to ACH if the communication contains an error. Client assumes all responsibility and liability for any delays or failures to process an ACH transaction, or any incorrect processing, which may occur as a result of its submission of untimely, incorrect, or incomplete data, or as a result of the lack of sufficient funds in the account specified by Client to be used for ACH processing.

(f) **Error Resolution Procedures** – If Client believes there is an error related to an ACH transaction initiated from its account pursuant to Subsection (e) above, Client must notify Ascensus immediately by contacting the Ascensus client support team and providing relevant details of the error, including the transaction date, amount, and description of the error. Client must notify Ascensus of any errors within 60 days from the date the transaction appeared on the account statement. Once notified, Ascensus will investigate the error and work to resolve it as quickly as possible.

Client has the right to revoke its authorization for ACH transactions for the account at any time. To do so, Client will notify Ascensus of its decision to revoke the authorization by removing payment information from the Billtrust website:

<https://ascensus.billtrust.com>. Revoking authorization will be effective for future ACH transactions, but it will not affect transactions that have already been processed. To prevent further ACH transactions, Client will provide notice by following these instructions at least 15 days before the next scheduled ACH transaction.

Ascensus will retain records related to Client's ACH transactions and its authorization for the duration required by applicable laws and regulations. Client may request copies of these records by contacting client support.

## 5. TERMINATION

### 5.01 Events of Termination – This Agreement may be terminated

- (a) by either party upon at least 60 days prior written notice to the other party (see Section 3., Fees and Expenses, for Fee considerations);
- (b) by either party immediately if the other party commits a material breach of this Agreement and does not cure such breach within 30 days after receiving written notice of the breach from the nonbreaching party; or
- (c) by Ascensus immediately upon notice if Client is administering or operating the Plan in a manner inconsistent with the plan documents, or if Client engages in activities which Ascensus reasonably believes to be illegal or a violation of Ascensus' intellectual property rights.

### 5.02 Termination of the Plan –

- (a) **Duties of the Client** – Upon termination of the Plan, Client will promptly notify Ascensus of the effective date of such termination.
- (b) **Ascensus Services** – During the term of this Agreement, if Client causes or permits the Plan to terminate, Ascensus, upon Client's written request, will provide the most current plan document termination amendment. Ascensus' receipt of an executed termination amendment will constitute Client's 60-day written notice of pre-approved plan document service termination for the Plan or Client listed on the termination amendment.

### 5.03 Pre-Approved Status upon Termination – If this agreement is terminated for any reason by either party, Client acknowledges that upon termination, Ascensus will cease to act as the provider for the pre-approved plan document(s). Any such document will be an individually designed document for which Ascensus has no responsibility. Ascensus will provide no further amendments or support the document in any way upon such termination. Client acknowledges and agrees that it is solely responsible for the plan document and agrees that failure to update the Plan may jeopardize the Plan's qualified status and result in adverse tax consequences.

## 6. OTHER PROVISIONS

### 6.01 Confidential Information – Any confidential information provided by Client to Ascensus for use in connection with Ascensus' performance of its obligations pursuant to this Agreement (the "Confidential Information") shall be deemed to be the confidential and proprietary information of such disclosing party. Ascensus will use the same degree of care in its handling of the Confidential Information as it uses with regard to its own proprietary information to prevent unauthorized or inadvertent disclosure, use or publication of the Confidential Information. Except as otherwise permitted by this Agreement, the Confidential Information will only be divulged to and used by Ascensus' employees, agents and subcontractors with a need to know, and may be disclosed as required or permitted by law, regulation, order of a court or regulatory authority. Ascensus will instruct its employees, agents or subcontractors not to divulge, use or publish any Confidential Information except in accordance with the terms of this Section 6.01.

Client acknowledges that Ascensus may release any information or documentation related to Client or the Plan as requested by Client financial advisor or broker of record. Ascensus may provide information about the Plan to other Plan representatives or designees only as designated by Client in writing. Client will promptly notify Ascensus in writing of any changes to the financial advisor's or other representative's contact information or affiliation to the Plan. Ascensus may release any information or documentation related to Client or the Plan as requested by the Plan's Trustee and Custodian, the IRS, the DOL, or any other regulatory or judicial authority as required by law.

### 6.02 Force Majeure – Ascensus will not be liable for, nor will Ascensus be considered in breach of this Agreement due to any failure or delay in performance of its obligations under this Agreement as a result of a cause beyond its reasonable control including, but not limited to, any act of God or public enemy, act of any military, civil, or regulatory authority, any act of terrorism, change in any law or regulation, fire, flood, tornado, earthquake, storm or other like event, disruption or outage of computers or communications, equipment failure, power or other utility failure, labor strikes, exchange action, unusual trading activity or the suspension or disruption of trading on any exchange.

### 6.03 Copyrighted Works – Client acknowledges that Ascensus is the sole copyright owner of all Ascensus plan documents, participant notices, all content on the Ascensus media and all other materials provided under the terms of this Agreement ("Ascensus Materials"). Ascensus grants Client a nonexclusive, nontransferable right to copy the participant notices as needed for the sole purpose of distributing to participants. Except as provided in this Section 6.03, none of the Ascensus Materials will be copied, reproduced or distributed by Client without Ascensus' prior written consent.

**6.04 Notices with Respect to the Plan and the Agreement –**

- (a) Client agrees to provide a current, functional email address, street address or, if accepted by Ascensus as a means of communication, text message number, to receive communications, notices, reports, materials, disclosures and other information related to this Agreement and the Plan, and to promptly notify Ascensus of any changes to such email, address or number. Client consents to receiving any and all communications, notices, reports, materials, disclosures and other information related to this Agreement (including amendments or changes to this Agreement) and the Plan, including all notices that must be given in writing, at the then-current email address and/or text message number for Client in Ascensus' records and/or via a website designed by Ascensus, and Client agrees to periodically check such website for new or updated information. Ascensus may deliver such communications and other information by hardcopy, email, text message, secure electronic signature websites or other method at Ascensus' option. By agreeing to the receipt of such electronic communications and other information, Client agrees to allow emails and text message from Ascensus to pass through Client's filters. Ascensus (including the Indemnitees) will not be liable for any Damages arising from non-delivery of any such communications due to factors beyond Ascensus' control, including, but not limited to, system failures, misdirected delivery, inaccurate information, or failed delivery due to SPAM or other filters.
- (b) Any notice with respect to this Agreement (such as notice of breach or termination) sent by Client must be in writing and must be given by either certified mail, return receipt requested, or by overnight mail sent with a nationally recognized courier service, and must be addressed to Ascensus at:

Ascensus, LLC  
575 Pinetown Road #577  
Fort Washington, PA 19034  
Attn: RPS Plan Documents

**6.05 Record Retention –** Client acknowledges and agrees that it is expressly responsible for the retention of all records related to the Plan.

**6.06 Amendment and Modification: Handwritten Changes –** Client may not amend or modify this Agreement except in a written agreement signed by both parties. Ascensus may amend and modify this Agreement from time to time by providing written notice to Client; provided, however, that if Client objects to any such amendment or modification, it may exercise its termination rights under this Agreement. Any handwritten changes, markings, or other alterations to this Agreement as initially provided to Client will be binding upon Ascensus only if initialed by a duly authorized officer of Ascensus.

**6.07 Waiver –** In the event any provision of this Agreement is not enforceable in any jurisdiction, the remainder of this Agreement will not be affected thereby.

**6.08 Applicable Law and Venue –** The validity, construction and interpretation of this Agreement will be governed by the laws of the State of New York, without regard to New York's conflicts of laws principles. The State of New York will have exclusive jurisdiction and venue over any claim or other action pertaining to or arising out of this Agreement.

**6.09 Time Limit for Bringing Claim or Action –** Any claim made or action brought under this Agreement must be commenced within 24 months after the act which caused the error or inaccuracy occurred. If this time limitation is prohibited by New York law, the 24 month period will be deemed amended to conform with the minimum period permitted by New York law.

**6.10 Authority of Client –** Client warrants it is legally authorized to enter into this Agreement on behalf of the Plan.

**6.11 Entire Agreement –** This Agreement supersedes all prior agreements and understandings, whether written, electronic or oral, between the parties with respect to the subject matter of this Agreement, and this Agreement constitutes the entire agreement between the parties with respect to its subject matter.

**6.12 Successors and Assigns –** Client may not assign its rights or delegate its duties under this Agreement without Ascensus' prior written consent. This Agreement will be binding upon each party's successors and permitted assigns.

**6.13 Third Party Providers –**

- (a) Ascensus may make available to Client certain optional services provided by various third parties that are not affiliated with Ascensus (collectively, the "Third Party Providers"). Ascensus makes no representations or warranties with respect to any Third Party Provider, and Ascensus will have no liability related to any Third Party Provider or services provided by any Third Party Provider.
- (b) **Third Party Information –** Certain of the information provided to Client or used to perform the Services: (1) may not be copied or distributed; and (2) is not warranted to be accurate, complete, or timely.

**7. RESPONSIBLE PLAN FIDUCIARY REPRESENTATION.** Client represents and warrants that reasonably in advance of the execution of this Agreement by Client, a responsible Plan fiduciary has: (a) received fee disclosures and reviewed information with respect to the services and fees of Ascensus and its affiliates; (b) determined that the services and fees of Ascensus and its affiliates, as well as the terms and condition of this Agreement and any other agreements with Ascensus or its affiliates, are reasonable and prudent; and (c) determined that the entering into of this Agreement and any other agreements with Ascensus or its affiliates does not result in a prohibited transaction under ERISA or other violation of applicable law.

**8. INDEPENDENT FIDUCIARY CONFIRMATION.** Client represents and warrants that Client, and/or one or more of its officers, directors, shareholders, employees, parents, subsidiaries, affiliates, agents, or Client’s financial advisor or broker of record is (x) an independent fiduciary with financial expertise (as defined in 29 CFR 2510.3-21) with respect to the Plan; (y) responsible for exercising independent judgment with respect to the transactions contemplated by this Agreement; and (z) capable of evaluating investment risk independently, both in general and with regard to particular transactions and investment strategies. Client acknowledges that Ascensus (i) does not intend to be a fiduciary under either section 3(21) of ERISA or section 4975 of the Internal Revenue Code; (ii) is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity; and (iii) does not receive any compensation for providing investment advice. Ascensus will rely on the representations and warranties in this paragraph in treating Client, and/or one or more of its officers, directors, shareholders, employees, parents, subsidiaries, affiliates, agents, or Client’s financial advisor or broker of record as an independent fiduciary with financial expertise to the Plan until such time as the Client provides Ascensus with written notice that such representations and warranties are no longer true and accurate. The terms of this Section 8 shall apply in accordance with 29 CFR 2510.3-21, as amended, and will remain in effect so long as the operative provisions of 29 CFR 2510.3-21 are not materially modified, rescinded, revoked, delayed or otherwise superseded by law or regulation.

**9. SIGNATURES**

Name of Employer \_\_\_\_\_  
Name of Employer (“Client”)

**Client**

**Ascensus, LLC**

By \_\_\_\_\_  
Client Signature

By Anna Johnson  
Ascensus Signature

Name \_\_\_\_\_

Name Anna Johnson

Title \_\_\_\_\_

Title Vice President

Date \_\_\_\_\_

**NOTE:** Any forms or agreements returned with electronic signatures (outside of the forms completed and signed through the Ascensus website) will be rejected.



## Schedule A – Document Services

1. Ascensus' current pre-approved plan document and applicable IRS opinion letter.
2. Completion of plan document based upon Client's specifications/elections.
3. Summary Plan Description (SPD) (if applicable).
4. Legislative/Regulatory required amendments including full document restatements, when applicable, are included in the Annual Service Fee. Such amendments may be accompanied by either an updated SPD or a Summary of Material Modifications (SMM) at Ascensus' discretion.
5. Optional amendments, excluding legislative/regulatory amendments, will be provided for an additional charge at the then current Optional Amendment Fee. The Optional Amendment Fee includes two rounds of document changes following initial delivery of the optional amendment document package. Requests for a third or more set of document changes to drafts of the amendment will be provided for an additional charge at the then current Optional Amendment Fee. Fees will be due to Ascensus upon completion and delivery of the amendment to the Client. Amendments may be accompanied by either an updated SPD or an SMM at Ascensus' discretion.
6. Plan Termination amendment template for Client completion (upon request).
7. Additional services may be provided on a fee for service basis (upon request).



## Schedule B – Roles and Responsibilities

TASKS	Client	Ascensus
Ascensus' pre-approved defined contribution plan, an Adoption Agreement, Trust or Custodial Agreement (as applicable), and a Summary Plan Description (SPD) ( <i>if applicable</i> ) prepared in accordance with Client's direction and elections.		✓
Provide clear plan design directions in the format requested by Ascensus.	✓	
Set forth all benefits, rights, and features of the pre-existing plan ( <i>if applicable</i> ).	✓	
Ensure all optional forms of benefit and protected benefits are addressed in the plan document, where appropriate, and tracked as necessary.	✓	
Timely execute all documents in accordance with IRS and DOL rules and requirements.	✓	
Obtain necessary legal and tax advice on any legal and tax ramifications affecting its Plan.	✓	
Timely distribute SPDs and/or Summary of Material Modifications (SMMs) ( <i>if applicable</i> ) to all eligible employees.	✓	
Provide all Legislative/Regulatory required plan document amendments to Client.		✓
File IRS Form 5500, IRS Form 1099-R, compliance testing, or other qualified retirement plan recordkeeping.	✓	
Notify Ascensus of email, address, financial advisor, and account number changes.	✓	
Notify Ascensus of termination of these document services or plan termination at least 60 days before the end of the current calendar year to avoid subsequent annual service fees.	✓	
Provide plan termination amendment upon Client's written request.		✓
Provide Beneficiary Forms to all eligible employees.	✓	

## Schedule C – Fees

- 1. Enrollment Fee** \$175 to be paid as a one-time fee in the year the pre-approved plan document services are established (*fee is not prorated*).
- 2. Annual Service Fee** \$175 to be paid prospectively on an annual, calendar-year basis in January, beginning the calendar-year after pre-approved plan document services are established (*fee is not prorated*).
- 3. Optional Amendment Fee** \$35 per amendment to be paid upon Ascensus receiving the request as a one-time fee as outlined in Schedule A of this Agreement.