



Syssero[®] Solution Packet

Updating 401(k) Wage Deductions



Solution Overview

If for any reason you find that one of your employee's 401(k) contributions are halted, the root cause could be one of many. Things such as initial implementer setup, faulty integrations, benefits elections, or more can all contribute to this unexpected error.

While we always recommend an initial discovery to assess where the issue lies, we wanted to share a specific scenario where we found the issue, which lied within the deduction itself.

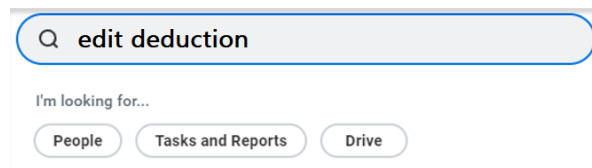
In this particular case, it was determined that these deductions should not stop the employee deduction when a wage limit is met, but instead only the ER match deduction should stop at the wage limit.

Impacted Functional Areas

- Payroll
- Benefits

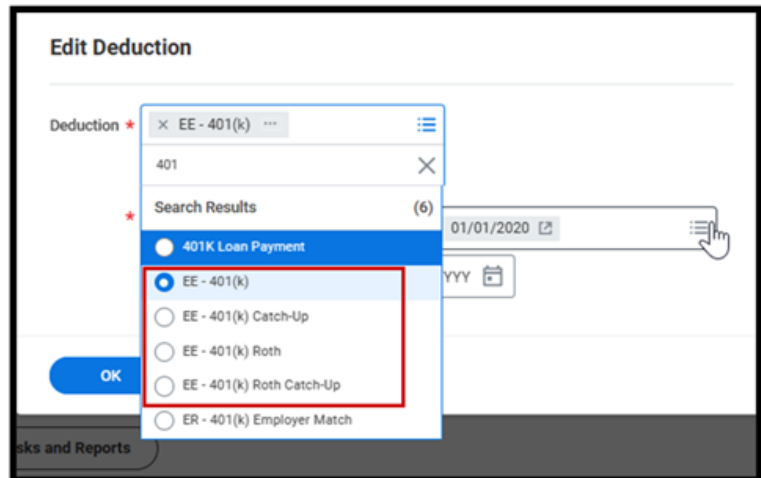
Step 1: Edit deduction

Enter "Edit Deduction" in the search bar.



Here you can update your deductions based on employee requirements. Once you've selected the plan, expand upon it to view more.

Note: When editing, you'll need to complete the same change to each of the EE deductions, or else they won't all act the same. (E.g. if an employee is only enrolled in Roth and they hit that same limit, their Roth will stop.) This depends on employee-related deductions for each company and will vary.





You can use the latest effective date since the related actions for deductions are not effective dated.

View Deduction EE - 401(k) ...

Name EE - 401(k)
Code 401k
Default Payslip Name 401k
Category Payroll
Country United States of America
Current Status Active

Effective Dated Non-Effective Dated

Effective Dated Details
Effective Date 01/01/2020

Step 2: Ensure Wage Limits are accurate & update accordingly

At this point you'll want to ensure that all limits are accurately portrayed or removed.

In this case, at the middle of the page in the Related Calculations section, you'd need to remove the fields (in red below) that include the 415-wage limit – the limit that should only be attached to the ER match. Repeat this process for each of the EE deductions that have the limit.

Recalculate during Retro No

Related Calculations 3 items

Related Calculation	Default Calculation	Override Calculation	Limit Details			Input Allowed?	Aggreg
			Value	Balance Period	Based On		
Base (unprorated)		Retirement Savings Eligible Wages	Section 415 eligible wage limit	YTD - Current Calendar Year (based on Payment Date)	EE - 401(k) - Base (unprorated)	No	No
Percent		Benefits: Benefit Plan Percentage				Yes	No
Election Amount		Benefits: Employee Cost (Pre-tax)				No	No



Once completed, your employee should see the deduction in the calculation on their next paycheck. Be sure to validate that the deductions are accurate and that the deduction is visible and calculated properly.

This process could be used for any deduction updates where the related calculations utilize wage limits to calculate the employee deduction. Otherwise, if your employees are not seeing the right deductions, it could be due to a host of other issues and may require additional auditing to find the solution.

We hope this helps! For help or more info, reach out to info@syssero.com