

NON-DISCRIMINATION TESTING CORRECTIONS PROCESS

Below are brief explanations on how to correct participants' account(s) in regard to a group's non-discrimination testing results. The details regarding the paid claims and contributions to-date for the participants' account(s) can be found on the Details tab of the Account Balance Detail Report.

Accounts with Excess Contributions

Example: A participant has contributed \$2,000 to their Dependent Care account and the non-discrimination testing results state that their new election amount should be \$1,500. In this case, a negative contribution file with the value of -\$500 should be submitted before the election amount can be updated.

The contributions should be updated by the employer or payroll vendor with the contribution file.

- If an employer uses a payroll vendor that cannot send the negative contribution file, they will need to send a one-off contribution file. If this occurs, the employer will need to review the accounts after the subsequent file from the payroll vendor is processed to confirm that the negative amounts have not been duplicated via a payroll file.
- If additional funds are removed, the employer would need to submit another contribution file to add the funds back to the account so they are available to the participant.
- If the negative contribution file is imported after the updates are sent from the enrollment platform, the new election amounts will err on the file.

Accounts with Excess Paid Claims

Example: A participant has \$2,000 in paid claims to their Dependent Care account and the non-discrimination testing results state that their new election amount should be \$1,500. In this case, the participant will need to repay the plan for the excess \$500 before their election amount is updated. If the excess amount is not repaid in this timeframe, the new election amount will err.

Repayment Options:

Option 1: The employer can accept the repayment through payroll.

- Once the repayment is received, the employer will need to notify WEX so a credit can be applied to the participant's account. After the repayment is noted on the account, their election amount can be adjusted to reflect the non-discrimination testing results.

Option 2: The participant repays the plan through check or direct deposit.

- WEX would deny existing paid claims in the excess amount over the newly determined election amount. Once the participant repays via check or direct deposit, we would be able to adjust their election amount to reflect the non-discrimination testing results.

Updating the Election Amount

The updated elections need to be made in the enrollment platform and sent via the weekly Aptia file to update the account(s) in our system.

- The effective date of the change needs to be the date the correction is being made and cannot be made back to the original effective date of the plan. **Please note:** If the record is sent with the original effective date, it will error on the file and would need to be resent with correct effective dates.
- If the adjustment is a \$0 election and the group doesn't allow \$0 elections, the election will need to be reduced to the lowest amount allowed within the enrollment platform.