



The Annual Compliance Cycle

with  **Betterment** at Work

Seasonality plays a key role in understanding 401(k) plan compliance. We put together this guide to help you see the bigger picture, stay organized, and meet important deadlines.

An Overview of the Compliance Cycle



Q1

Annual compliance testing

The government requires testing to see if your 401(k) plan benefits all employees—not just business owners or those who are highly compensated.



Betterment will ask you to complete some forms in your Compliance Hub, which will be in your Plan Sponsor Dashboard in January. Once those are done, we'll perform the needed testing on behalf of your plan and inform you of the results. Plus, we'll provide guidance on how to correct any failures. Learn more [here](#).

Q2-Q3

Form 5500 and Plan Audits

Every plan has to file [Form 5500](#). Think of it almost like a “tax return” for your plan. For most 401(k)s, the deadline to file is around July 31. For conversion plans or those being audited, the filing deadline is extended to mid-October.



Betterment will prepare and send you a signature-ready Form 5500 in the spring. And if your plan needs an audit, we'll send you a complete audit package and instructions. Learn more about [plan audits](#).

Q4

Compliance clean-up

In the final quarter of the year, we'll be in touch about a few items, including force-outs of terminated participants, Required Minimum Distributions (RMDs), forfeiture funds, and plan amendment requests.



Betterment will reach out as each task comes around.

Betterment at Work

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