

WELCOME TO A BETTER 401(k)

Smarter for you. Better for your team.



REVIEW PLAN DESIGN & DOCUMENTS

Overview of Plan Designs

PLAN TYPE	BENEFITS	CONSIDERATIONS
<p>Traditional: May include traditional and Roth deferrals, as well as a discretionary match or profit sharing component.</p>	<p>Employer contribution is discretionary, however employers may opt to contribute to the plan to help pass compliance testing</p>	<ul style="list-style-type: none">• Year-end compliance testing required• Subject to top heavy testing (may require minimum employer contribution)• May require HCE refunds
<p>Safe Harbor Match Requires an employer to provide a fixed employer match that vests immediately, generally by matching up to 4% of annual compensation</p>	<ul style="list-style-type: none">• Satisfies most year-end compliance testing• HCEs can maximize their 401(k) contribution	<ul style="list-style-type: none">• Mandatory, fixed employer match• Plan documents can only be amended once per year
<p>Safe Harbor Non-Elective (Maybe) A hybrid plan: a Traditional plan that offers the flexibility to the plan sponsor to decide to become a Safe Harbor plan. Fixed employer match would vest immediately, 3% of annual compensation to all eligible employees (not just those participating)</p>	<p>Flexibility (oftentimes this is based on the likelihood of the plan passing compliance testing i.e. whether their HCEs are subject to refunds)</p>	<p>Additional notices required</p>

Overview of standard plan features (small plans)

FEATURE	DESCRIPTION
Plan Year	Jan - Dec
Eligibility & Entry	Min Age: 18 years; Service: None Required; Entry Date: Immediate (Date of Hire if Age 18+); INCLUDES Part Time
Excluded Employees	Union Employees; Non-Resident Alien with No US Source Income; Independent Contractors
Compensation	W-2 Compensation + Deferrals; Includes Taxable Fringe Benefits, Bonuses, Commissions
Pre-tax and Roth Deferrals	Participants may decide between pre-tax and Roth deferrals
Automatic Enrollment (6%)	New participants are defaulted to a 6% pre-tax deferral rate; participant can modify
Vested Contributions (100%)	All plan contributions, including employer match and profit sharing, are immediately vested
Employer Match	Match is calculated once-per-year based on full year deferrals and compensation; may "prefund" each pay period
Employer Profit Sharing	<ul style="list-style-type: none">• Employer profit sharing is calculated and funded once per year• Same allocation % to all eligible participants• All participants eligible for profit sharing

Overview of standard plan features (small plans)

FEATURE	DESCRIPTION
Definition of Disability	<ul style="list-style-type: none">• Determined by Social Security Administration
Distribution	<ul style="list-style-type: none">• Allows for a single sum to be cashed out or rolled over upon termination, death, or disability• Allows for distributions while employed:<ul style="list-style-type: none">• At age 59-½ from all sources• Hardship Distributions (Limited reasons) from employee deferrals only• Required minimum distributions begin at the later of age 70-½ and retirement
Cash-out Limit: \$5,000	Terminated participants are given notice of options for balance; balances under \$5,000 will be automatically rolled to an IRA

Optional for Small Plans

FEATURE	DESCRIPTION
Safe Harbor Non-Elective	Employer contribution of 3% of annual compensation provided to all eligible employees. Plan is deemed to pass ADP/ACP tests and meets minimum top heavy requirement (if applicable).



Participant Experience

Participant launch email

Dear Firstname,

ACME has invited you to save better for retirement with a 401(k) powered by Betterment, the largest automated investing service.

We've already created your 401(k) account, but to view and manage your 401(k), please complete the signup process.

[Sign Up](#)

You have been automatically set up to contribute 5% of each paycheck to your Traditional 401(k) account. You can change these settings at any time.

Thanks for investing better,
The Betterment Team



Employer Contact

555-555-1234

employer@email.com

QUESTIONS?

Welcome to Betterment, Ethan

Your employer has created a 401(k) plan for you.

Open your account to access your 401(k). You're just moments away from getting started.

Get Started



Please Verify Your Identity

Betterment is a financial institution just like a bank or a brokerage firm, so we must comply with the USA PATRIOT ACT. This requires us to verify your identity. We will not run a credit check.

Date of Birth

mm/dd/yyyy

Social Security Number

Gender

☐ Male

☐ Female

Continue



Financial Background

As a financial advisor, we are required to ask a bit more about your financial background so that we can ensure that we are giving you the best possible advice.

Employment status

Employed (full-time) 

Estimated Household Income



Estimated Investable Assets



Please use the total amount your household could potentially invest. An estimate is fine--you can update this at any time.

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Continue



SIPC COVERAGE

We strive to provide the best security and privacy

[Learn More](#)

QUESTIONS?

Regulatory Questions

We are required to ask these regulatory questions. Most customers will answer no.

Are you employed by or associated with a broker dealer?

☐ Yes

☒ No

Are you a 10% shareholder, director, or policy maker of a publicly traded company?

☐ Yes

☒ No

Have you been notified by the IRS that you are currently subject to backup withholding?

☐ Yes

☒ No

Back

Continue



Account Security

These questions help us keep your account secure. Answers are not case sensitive.

Select a primary security question

- ☐ What was the name of your elementary school?
- ☐ What was the name of your favorite childhood friend?
- ☐ What was the name of your childhood pet?

Primary security answer

Select a backup security question

- ☐ What street did you live on in third grade?
- ☐ What is your oldest sibling's birth month?
- ☐ In what city did your mother and father meet?

Backup security answer

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Betterment 401(k) Plan Agreement

☐ I acknowledge that I have read and agreed to the terms below.

Betterment's [Privacy Policy](#) and [401\(k\) Participant Terms & Conditions](#) contain important information regarding your rights and obligations, including important details about how your Betterment accounts will be managed if you also have a non-401(k) Betterment account.

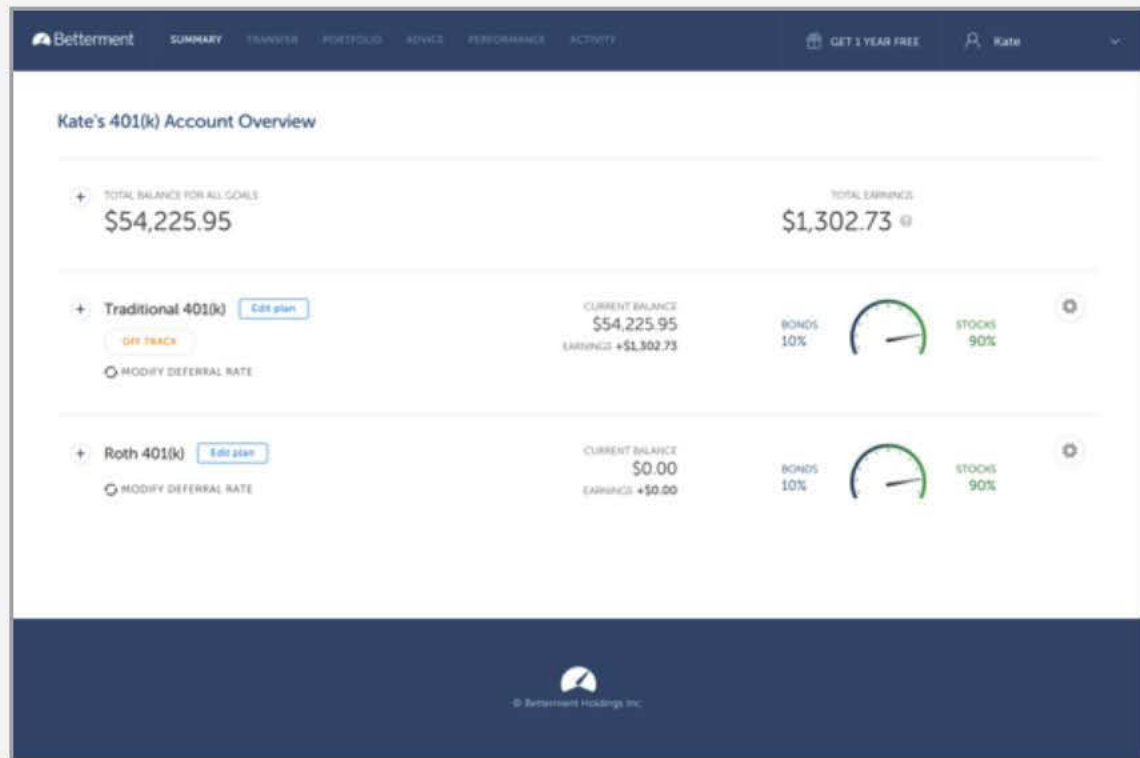
[Back](#)

[View My 401\(k\)](#)

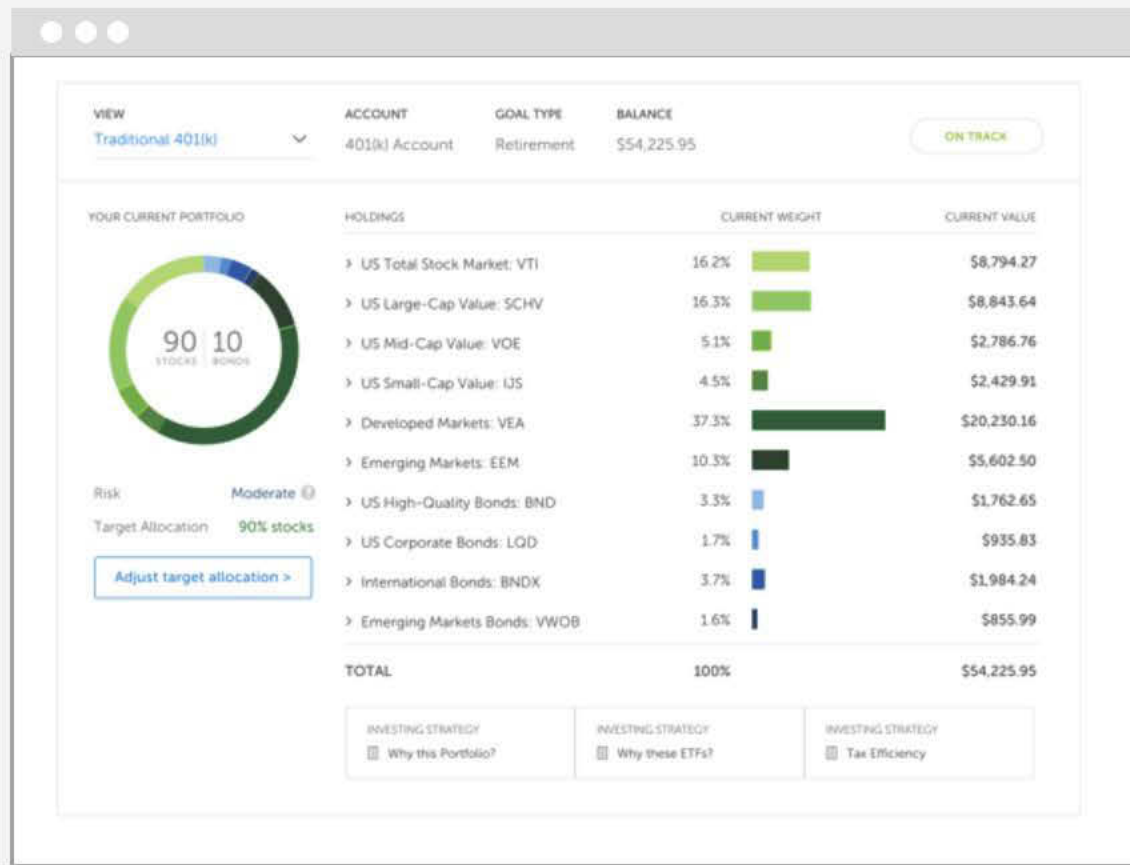


BETTERMENT PARTICIPANT ACCOUNT

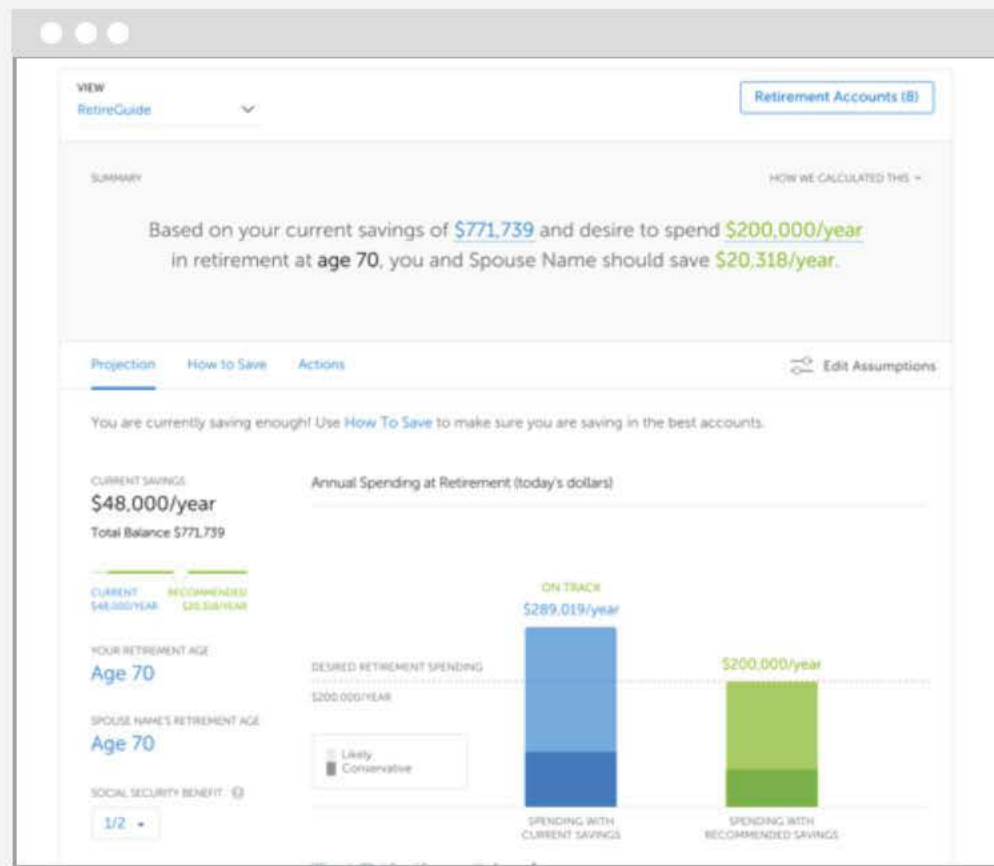
Betterment account



Personalized portfolio



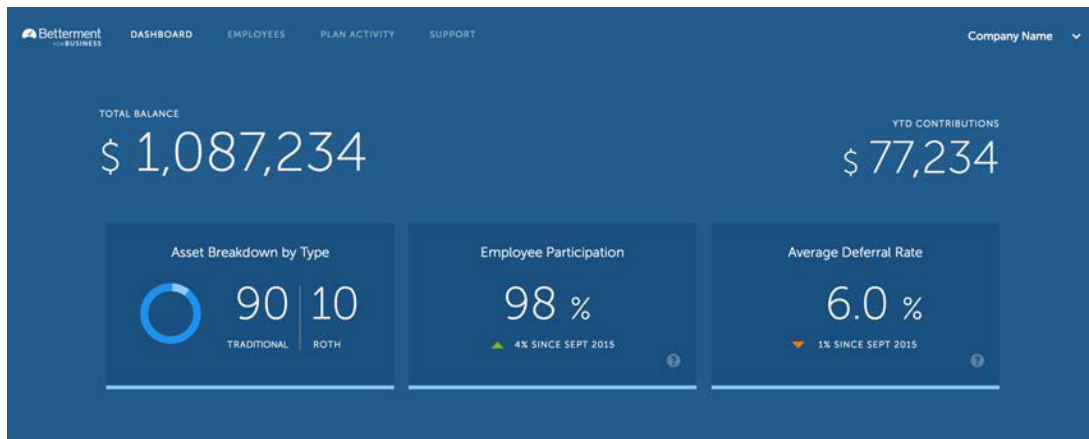
Retirement advice





EMPLOYER DASHBOARD

Employer dashboard



Recent Activity

[Upload Payroll](#)[Add an Employee](#)

6 Deferral Changes

Some employees have made changes to their deferral elections in the past month. Be sure to update your payroll system and contribution file before processing your payroll contribution. [View your report](#)

Recent Payroll Uploads

[View Activity](#)

FILE UPLOAD DATE	EFFECTIVE DATE	TOTAL AMOUNT
7/1/2015	7/15/2015	(\$ 11,534.89)
6/25/2015	6/30/2015	\$ 12,804.78
6/21/2015	6/15/2015	\$ 11,534.89
6/12/2015	5/30/2015	\$ 12,804.78
6/12/2015	6/12/2015	\$ 11,534.89

New Employees

[View Employees](#)

NAME	DATE ADDED
Lastname, First	7/1/2015
Lastname, First	6/25/2015
Lastname, First	6/21/2015
Lastname, First	6/12/2015
31 Employees	6/12/2015

Employee changes

Enroll a New Employee

We will email new eligible employees an invitation to join Betterment. Employees that contribute will be able to adjust their own deferral rate, and we will alert you as these changes occur.

Personal Information

First name

MI

Address line 1

Last name

Address line 2

Email

City

Phone number

xxx-xxx-xxxx

State

Zip



xxxxx

Date of birth

mm/dd/yyyy

Social security number

xxx-xx-xxxx

Gender

☐ M

☐ F

Is this employee a non-resident alien?

☐ Yes

☒ No

Deferral change report


DASHBOARDEMPLOYEESPLAN ACTIVITYSUPPORT

Employer21

OVERVIEWDEFERRAL REPORTING

Deferral Reporting

Upload Payroll



16 Deferral Changes

Some employees have made changes to their deferral elections since Jan 17, 2016. Be sure to update your payroll system and contribution file before processing your payroll.

DEFERRAL CHANGES SINCE


01/17/2016

Filter

NAME	ACCOUNT	NEW DEFERRAL RATE	DATE CHANGED
Lastname, Firstname	Traditional 401(k)	5.0%	02/12/16
Lastname, Firstname	Roth 401(k)	5.0%	02/08/16
Lastname, Firstname	Roth 401(k)	5.0%	02/02/16
Lastname, Firstname	Traditional 401(k)	5.0%	02/02/16
Lastname, Firstname	Roth 401(k)	5.0%	02/02/16
Lastname, Firstname	Traditional 401(k)	5.0%	02/01/16
Lastname, Firstname	Traditional 401(k)	\$750.00	02/01/16
Lastname, Firstname	Traditional 401(k)	5.0%	01/29/16
Lastname, Firstname	Traditional 401(k)	5.0%	01/29/16

Payroll upload

[Get Started](#) | [Upload Payroll](#) | [Confirm](#) | [Success](#)



REMINDER

Completing a payroll upload will automatically generate a fund transfer from your bank.

[QUESTIONS?](#)

Get Started Uploading your Payroll

Formatting your Payroll File

Before we get started, download our template, which contains all of your contributing employees' identifying information. Then update that template with the following information for this pay period:

- Gross Compensation This Pay Period
- Hours Worked This Pay Period
- Traditional Employee Contribution
- Roth Employee Contribution

[Download Template](#) [I'm Ready to Upload](#)



Betterment
FOR BUSINESS




Payroll upload

Get Started

Upload Payroll

Confirm

Success



REMINDER

Your effective date is the same as your payroll date; not the date of submission

QUESTIONS?

Select Payroll File

Be sure your latest payroll file reflects the following updated information for this pay period:

Gross Compensation This Pay Period

Hours Worked This Pay Period

Traditional Employee Contribution

Roth Employee Contribution

Select a .csv file to upload

no file selected

Browse

Enter an effective date

mm/dd/yyyy

Upload File


Support


[DASHBOARD](#) [EMPLOYEES](#) [PLAN ACTIVITY](#) [SUPPORT](#)


Support

TECHNICAL SUPPORT

For questions about your employer dashboard


 1-855-906-5281


 plansupport@bettermentforbusiness.com


 Monday - Friday: 9AM - 8PM ET

EMPLOYEE SUPPORT

For your employees' questions about their accounts


 1-855-906-5281


 support@betterment.com


 Monday - Friday: 9AM - 8PM ET
Saturday - Sunday: 11AM - 6PM ET

PLAN SPONSOR SUPPORT

For questions about your plan operations


 1-855-906-5280

 plansupport@bettermentforbusiness.com

 Monday - Friday: 10AM - 4PM ET

ADD A PLAN MANAGER

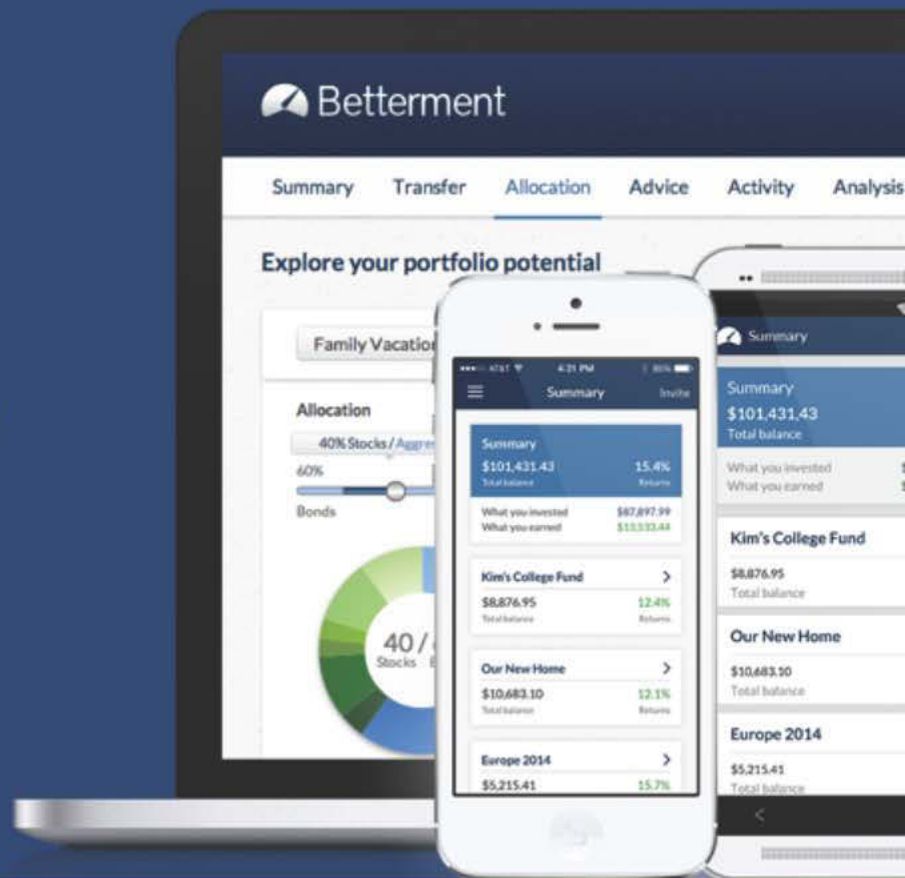
Plan managers have full access to your dashboard. To invite additional plan managers, please share the following link:

 https://b4b-stage.betterment.qa/plan_managers/sign_up?plan_key=21-token

Questions?

plansupport@bettermentforbusiness.com

or 855-906-5280



APPENDIX

Getting started: employee file

Employee information should always include ALL employees. Key headers below:

Header	Data Type & Format
Employment Status	Active, terminated, deceased, disabled, unpaid_leave, retired
Date of Termination	Optional, but required if employment_status is terminated, deceased, disabled or retired
Date of Rehire	Optional, but required if employment_status is active and terminated_on is set
Eligible	Y / N
Non-resident Alien or Union	Y / N
Participant Type	Primary, beneficiary, alternate_payee

When should you update employee data?

At Betterment, we use SSN, Date of Birth, Gender for verification purposes.

Please update employee data in the employer dashboard when there is an employment status change, including:

- New hire
- Employee terminates service
- Employee is rehired
- Employee joins or leaves Union
- Changes in Non-Resident Alien status
- Name change
- Changes in address and contact information

Deferral change report

Header	Information Provided
Name	Participant name, last name first
Account	Traditional (pre-tax) or Roth deferral type
New Deferral Rate	New elected deferral rate (% or \$) for that type (pre-tax or Roth)
Date Changed	Date participant entered deferral election in system

- Please review for any changes and update every payroll period
- Note that you can change the date range for the reported changes
- Some participants may show-up more than once if they made multiple deferral rate changes, or elect to defer to both Roth and pre-tax

Payroll file: key

Header	Pre-filled vs Required	Data Type & Format
Social Security Number	Pre-filled	9-digit Number; with or without dashes
Last Name	Pre-filled	Text
First Name	Pre-filled	Text
Gross Compensation	Required	Gross W-2 income for the period, before deductions. No \$ or , symbols.
Hours Worked	Required	Total hours worked during the pay period.
Traditional Employee Contribution	Required	Total pre-tax 401(k) dollars withheld from pay this period. No commas.
Roth Employee Contribution	Required	Total Roth 401(k) dollars withheld from pay this period. No commas.

Payroll file: step-by-step

It's important that contributions that employees make via payroll deduction are made as soon as possible **on or following the pay date from which they were deducted.**

Step 1

Access the Employer Portal. Click "Upload Payroll". Ensure deferral changes and any participant data changes have been updated. Download the template for your payroll file.

Step 2

Add your payroll information to the template. Be sure to include gross compensation, hours, pre-tax and Roth deferral amounts for the pay period for all employees, whether contributing or not.

Step 3

Upload your .csv file to the employer dashboard, and be sure the effective date is the date of the payroll. Verify your banking information, the pay date, and totals by source before submitting.

Note that, the deposit to the trust via ACH will be immediately initiated once you submit your payroll file at Betterment on the plan sponsor site. 401(k) contributions may not be deposited before actually deferred from compensation.

Please note: the maximum employer contribution limit for 2016 is \$18,000; you and your payroll provider will need to ensure that your participants do not defer above this amount.

This manual was created by Betterment For Business LLC

Unless otherwise specified, all portfolio information and return figures shown above are for illustrative purposes only, and are not actual customer or model returns. Actual returns will vary greatly and depend on personal and market circumstances.

401(k) plan administration services provided by Betterment for Business LLC. Investment advice to plans and plan participants provided by Betterment LLC, an SEC registered investment adviser. Brokerage services provided to clients of Betterment LLC by Betterment Securities, an SEC registered broker-dealer and member FINRA/SIPC. Betterment LLC and Betterment Securities are affiliates of Betterment for Business LLC.

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