ALERUS

PAYROLL REPORT

HOW TO READ THE AUTOMATIC ENROLLMENT SECTION

Within the weekly Payroll Report, the **Automatic Enrollment** section shows employees who need action. Review this section to confirm who should be set up for automatic enrollment, apply the correct rate in payroll, and make sure deductions begin on time.

Step 1: Start with the Eligibility Date

Plans with eligibility services or online enrollment are expected to have eligibility dates in our system to indicate when an employee becomes eligible.

- Use the **Eligibility Date** to set up automatic enrollment in payroll. Participation can begin on this date, and deferrals should not occur before it.
- If an employee has a past eligibility date, review whether automatic deferrals will start **on time.** If not, this may require correction. Contact your Alerus account manager before taking action. Corrections and participant disclosures may be required within a specific time period

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What does "on time" mean? *After required notices are provided, employees should have time to make a different election before automatic deferrals begin. Automatic deferrals should begin as soon as administratively feasible on or after the employee's eligibility date, but no earlier than 30 days after the notice is provided.*

Step 2: Review the Automatic Deferral Rate

- Review the automatic deferral rate and apply this rate when setting up payroll deductions.
- The **Auto Enroll Status** shows whether the employee is subject to automatic enrollment. "Opted In" means the employee should be automatically enrolled. "Opted Out" means the employee made their own deferral election and will no longer appear in this section after they initially appear on the report.

Step 3: Confirm that Automatic Deferrals Started

- Employees will appear in this section once eligible and with the applicable deferral rate.
- Once a contribution is processed and deposited, they will no longer appear in this section. This generally indicates that automatic deferrals have started.

Items That May Need Additional Review

The following items may need a closer look. If something doesn't align or you're unsure how to proceed, contact your Alerus account manager:

- **Missing eligibility date** – May indicate incomplete or inaccurate information.
- **0% automatic deferral rate** – May indicate a rehire or setup issue.
- **Rehired employees** – Automatic deferral rate may need to be recalculated based on the employee's rehire timing and prior enrollment history.
- **Long-term part-time employees** – Some plans do not require LTPT employees to be included in automatic enrollment. Refer to your plan document for details.

Quick Checklist

☐ **Address** employees with past eligibility dates promptly.

☐ **Implement** the correct automatic deferral rate in payroll for employees approaching their eligibility date.

☐ **Start** automatic deferrals on time.

☐ **Confirm** automatic deferrals have started.

☐ **Review** missing eligibility dates or 0% automatic deferral rates.

☐ **Contact** your Alerus account manager if there is a missed automatic deferral or information is missing.

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