



C A S E S T U D Y

Accurate And Efficient Compliance Testing at Scale For A Leading Retirement Plan Administrator In The US

Congruent Solutions leveraged its well-trained resources, process strengths, and domain experience to deliver Compliance Testing for over 3,500 plans at 98.5% accuracy and 100% on schedule despite the time crunch.

CONGRUENT[®]

CLIENT PROFILE

The client is an industry-leading plan administrator in the US with nearly \$200 billion in Assets Under Management (AUM), serving under 2 million participants. Almost half of their clientele is Fortune 500 organizations with complex retirement plan ecosystems and needs. Compliance Testing is one of the pillars of their services suite, critical for their business success.

BACKGROUND AND CHALLENGES

The client outsourced several of its operations, including Compliance Testing, to an IT services organization three years ago. Of all outsourced operations, Compliance Testing fell short despite 6-7 months of hand-holding by the client. As a result, the client faced the following critical challenges in their relationship with their previous IT services partner:

▼ **Lack of domain knowledge and experience**
The client's outsourcing partner was a general IT services organization, who did not have the specialized skills in Compliance Testing. This increased the dependence on the client's plan administration workforce to resolve issues.

▼ **Low quality**
Without the domain experience to perform Compliance Tests, the accuracy of outcomes and quality of service delivery was lacking. This forced the client to perform additional tests to meet compliance standards.

▼ **Unavailability of resources**
They could not complete this project themselves onshore, as they faced an

acute shortage of qualified resources. Training the necessary team would have taken another 4-6 months, which would have put them well past the deadline.

▼ **Looming deadline**
When the client came to us, it was already September. They needed to complete testing all their 2,000+ plans by the March 15th deadline, so they did not have the luxury of taking risks.

▼ **Inability to scale**
One of the client's portfolios had over 3,500 plans under management for sponsors with 50-35,000 employees each. They needed a partner who could perform Compliance Tests at scale. This required dedicated resources and collaboration.

To be 100% compliant and get their plans on track for the year, they needed a partner with well-trained resources, clear processes, and domain experience.

They chose Congruent Solutions.

CONGRUENT'S SOLUTION APPROACH

Congruent Solutions deployed a capable 30-member team led by an SME to help the client meet their compliance timelines. In the project, we:



Collected the census data to ensure all resources were eligible for the 401k process



Cleaned up this data and prepared it for analysis



Reviewed the average benefits of highly compensated employees (HCE), key employees, non-HCE, and non-key employees



Performed numerical non-discrimination tests such as the Actual Deferral Percentage (ADP) test, Average Contribution Percentage (ACP) test, and Top Heavy test for each of the plans



Provided recommendations for being ADP/ACP compliant



Worked closely with the client to ensure they passed all compliance requirements

BUSINESS OUTCOMES

100%
On-time

98.5%
Accuracy

13.5%
Reduction in time
spent by plan admins on CT

FUTURE OUTLOOK

Since the success of the first assignment in 2019, Congruent Solutions has taken over an additional 1500 plans, bringing the project size to 3500. We have also absorbed the most complex plans in their portfolio, delivering higher value from Compliance Testing.



CONGRUENT'S DIFFERENTIATORS

Congruent Solutions is a specialist technology solutions and outsourced plan administration service provider to the retirement industry. Our delivery center in Chennai, India, is the first outside the US to be awarded the ISO 9001:2000 certification for back-office pension administration services.



Domain experience for reliable service delivery

As an organization with eighteen years of experience exclusively serving the retirement plan industry, Congruent Solutions understands the landscape intricately well. This helped us expedite onboarding, kickstart the project from day one and complete the processes on time.



Well-designed team structures to ensure promised quality

Our project team was led by competent managers who take accountability for the larger picture. They guide teams, iron out issues, and ensure we delivered on time. Subject matter experts are responsible for smooth client onboarding. They speak the client's language and answer questions. This helped us in ensuring faster alignment, higher accuracy and high-quality results.



L&D for on-demand availability of skilled resources

Our learning and development (L&D) organization hires and trains

resources in all aspects of Compliance Testing. All our teams undergo training in the fundamentals of retirement plan administration. They take up a rigorous six-month program, which includes complex workflows and manual practices. Many of our members are also ASPPA-certified. This ensured that well-trained teams are always available for clients to kickstart projects.



Processes to deliver within deadlines

From our years of experience delivering retirement plan administration services to some of the world's leading organizations, we have developed proprietary processes and workflows. We leverage these in our everyday practices to ensure Compliance Tests are completed at record speeds with no compromise on quality or accuracy.



Teams for scale

We always have shadow resources available who can swoop in and scale the project as and when necessary, giving the clients a reliable fall-back option at all times.

ABOUT CONGRUENT

Congruent Solutions is a specialist technology solutions and outsourced plan administration service provider to the retirement industry since 2004. CORE is a suite of solutions designed specifically for retirement plan providers in the US.



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