



May 16, 2022

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Re: Auxiliary Services Corporation of Suny Cortland
Nondiscrimination Testing for the Plan Year Ending June 30, 2021

Dear Renee:

This letter and the attached Plan Testing Report provide the 2020 nondiscrimination testing for Auxiliary Services Corporation of Suny Cortland (“the Plan”). The Plan is subject to certain nondiscrimination and tax compliance testing in accordance with the Internal Revenue Code (“IRC”) and related regulations in order for it to maintain tax-favored status. In general, the purpose of the testing is to determine whether the Plan does not discriminate in favor of Highly Compensated Employees (“HCEs”)¹ and satisfies certain IRC contribution limitations. This letter and attached Plan Testing Report summarize the test results, testing methodology and assumptions.

The following tests were performed:

- IRC Section 410(b) coverage test
- IRC Section 402(g) salary deferral limit
- IRC Section 415 annual addition limitation

Data Validation and Assumptions

Although we did not audit or verify that the information and data provided to us is accurate, we did perform a reasonableness test to identify obvious data discrepancies. The following data validation procedures were performed and assumptions were used in completing the testing:

- Participants listed on the Census Data and Compensation File were reconciled with the data provided by record keeper.
- Each participant’s compensation was limited to the annual compensation limit under IRC Section 401(a)(17).
- Participants who were identified as excluded in the Census Data and Compensation File and/or did not meet the minimum age and/or service requirements were excluded from the testing; we did not and could not verify the eligibility status of each employee or participant.
- We assumed that:
 - The data provided in the Census Data and Compensation File included (1) every employee who was eligible to participate in the Plan at any time during the Plan year, regardless of whether the employee contributed to the Plan, and (2) the employee’s compensation as determined by the Plan’s definition of compensation for testing purposes.

¹ As defined within the meaning of IRC section 414(q), for the purposes of this Plan and the testing performed, Highly Compensated Employee for June 30, 2021 is defined as an employee who earned greater than \$125,000 in 2019 (the look-back year).

- The description of Plan provisions, including definition of compensation, used for testing purposes and other information provided by you through the Tax Data Organizer and Census Data and Compensation File accurately reflect the Plan provisions in effect for the Plan year.
- No participant received an employer matching and/or employer non-elective contribution in excess of the matching and/or non-elective contribution percentage provided in Tax Data Organizer and any participant who was recently employed and received employer matching and/or non-elective contributions was eligible for such contributions (e.g., credited with hours of service earned at another previous employer).

Minimum Participation (Coverage) Test

The minimum participation test (also known as the coverage test) under IRC Section 410(b) determines whether the Plan covers (i.e., benefits) a nondiscriminatory group of employees. To satisfy the coverage test, the Plan must pass either the Ratio Percentage Test or the Average Benefit Test. To pass the Ratio Percentage Test, the percentage of non-excludible non-highly compensated employees (“NHCE”) benefiting under (i.e., eligible to participate) a plan must be at least 70% of the percentage of HCE in that plan. If the plan does not pass the Ratio Percentage Test, then an Average Benefits Test would be performed.

The Coverage results are provided in the attached Plan Testing Report.

IRC Section 402(g) salary deferral limit

IRC Section 402(g) places a limit on the amount of elective deferrals that a plan participant can exclude from taxable income each calendar year. The elective deferrals that are subject to the 402(g) limit include Pre-tax deferrals and designated Roth contributions.

We tested the elective deferral contributions provided to us by your record keeper(s) for all the participants who are making deferral contributions into the plan. Based on the current plan year 402(g) limits, participants who contributed in excess of the 402(g) limit, if any, would be listed in the attached Plan Testing Report.

IRC Section 415 annual addition limitation

IRC Section 415(c) places a limit on the amount of total employee and employer contributions made to the plan for each plan participant. We tested the contributions made in the plan for each participant to verify if they were within the limits provided under IRC Section 415.

Based on the current plan year IRC Section 415 limits, participants whose contributions were in excess of the IRC Section 415 annual addition limitation, if any, would be listed in attached Plan Testing Report.v

This letter and the attached Plan Testing Report are based solely upon:

- a. the representations, information, documents and other facts provided to Deloitte Tax by Client, its personnel and any representatives thereof (including but not limited to Client’s plan record keeper) and that Deloitte Tax has included or referenced in this letter and the attached Plan Testing Report;
- b. our assumption that all of Client’s representations used in our analysis and all of the originals, copies, and signatures of documents reviewed by Deloitte Tax are accurate, true, and authentic;
- c. our assumption that there will be timely execution and delivery of and performance as required by the representations and documents;

- d. the understanding that Deloitte Tax will only be responsible to provide a letter and attached Plan Testing Report with respect to the specific tax issues and tax consequences opined herein and no other federal, state, or local taxes of any kind were considered;
- e. the law, regulations, cases, rulings, and other taxing authority in effect as of the date of this letter. If there are subsequent changes in or to the foregoing taxing authorities (for which Deloitte Tax shall have no specific responsibility to advise Client), such changes may result in our letter and the attached Plan Testing Report being rendered invalid or necessitate (upon request) a reconsideration of the letter and the attached Plan Testing Report;
- f. Client's understanding and agreement that the results of this letter and the attached Plan Testing Report may be audited and challenged by the Internal Revenue Service ("IRS") and other tax agencies, who may not agree with our conclusions. In this regard, Client understands that the letter and attached Plan Testing Report are not binding on the IRS, other tax agencies or the courts and should never be considered a representation, warranty, or guarantee that the IRS, other tax agencies or the courts will concur with the letter;
- g. Client's understanding that this letter and attached Plan Testing Report are solely for Client's benefit, are limited to the described transaction, and may not be relied upon by any other person or entity; and
- h. Any tax advice in this written communication was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed by any governmental taxing authority or agency.

Please retain this letter and a copy of the attached Plan Testing Report with the Plan's records. If you have any questions, please contact me.

Sincerely,



Joel Sowell
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enclosure: 2020 Plan Testing Report

2020 Plan Testing Report
Plan Year Ending 06/30/2021

Auxiliary Services Corporation of Suny Cortland

- IRC Section 410(b) coverage test
- IRC Section 402(g) salary deferral limit
- IRC Section 415 annual addition limitation

Auxiliary Services Corporation of SUNY Cortland

Compliance Testing Summary of Results **Plan Year End: June 30, 2021**

410(b) Coverage Test

Standard (source 2): Pass Ratio percent 100%

Non-excluded 48; Non-excluded HCEs 1; Benefitting 48; Benefitting HCEs 1

402(g) Deferral Limits Test

Test: Pass

415(c) Annual Additions Test

Test: Pass

Auxiliary Services Corporation of SUNY Cortland
(Restructured: Participants Who Meet IRS Statutory Minimum)

410(b) Ratio Percentage Test
Standard Test Version
For the Plan Year Ending June 30, 2021

Total number of employees of the employer:	170
Excludable because of:	
(1) Minimum age or years of service	12
(2) Collective bargaining agreement	110
(3) Non-resident aliens	0
(4) Excludable employees	0
(5) Terms with 500 or less hours of service	0
Total excludable employees:	122
Total non-excludable employees:	48
Total non-excludable employees who are highly compensated:	1
Total benefitting employees who are highly compensated:	1
Percentage of highly compensated employees who benefit:	100.00%
Total non-excludable employees who are non-highly compensated:	47
Total benefitting employees who are non-highly compensated:	47
Percentage of non-highly compensated employees who benefit:	100.00%
Ratio Percentage:	100.00%

This plan passes 410(b) under the Ratio Percentage Test.

Auxiliary Services Corporation of SUNY Cortland

402(g) Deferral Limits Test
Testing Date: December 31, 2021

<u>SSN</u>	<u>Participant</u>	<u>Source</u>	<u>Aggregate Deferrals</u>	<u>402(g) Catchup Contrib</u>	<u>Excess Deferrals</u>	<u>Attrib Match</u>
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All Employees Passed 402(g)

Auxiliary Services Corporation of SUNY Cortland

415(c) Maximum Annual Additions Test
Plan Year End: December 31, 2021

<u>SSN</u>	<u>Participant</u>	<u>Source /Type</u>	<u>Aggregate Additions</u>	<u>415(c) Catchup Contrib</u>	<u>Excess Additions</u>	<u>Attrib Match</u>
	All Employees Passed 415(c)					