

WELCOME!

Fiduciary Trends and Best Practices

Introductions:

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"IN GENERAL TERMS, A *FIDUCIARY* IS A PERSON WHO OWES A DUTY OF CARE AND TRUST TO ANOTHER AND MUST ACT PRIMARILY FOR THE BENEFIT OF THE OTHER IN A PARTICULAR ACTIVITY. FOR RETIREMENT PLANS, THE LAW DEFINES THE ACTIONS THAT RESULT IN *FIDUCIARY* DUTIES AND THE EXTENT OF THOSE DUTIES."

<u> HTTPS://WWW.IRS.GOV/RETIREMENT</u>

WHO / WHAT IS A FIDUCIARY?



WHO / WHAT IS A FIDUCIARY?

- Co- Fiduciary Status
 - Investments
 - 3(21)
 - 3(38)
 - Plan Administrator
 - 3(16)
- What Can You Outsource?
 - Compliance Items Third Party Administration (TPA's)
 - Investment Co-Fiduciary 3(21)
 - Investment Fiduciary 3(38)
 - Administration Tasks Integration
 - Plan Administrator 3(16)

WHO / WHAT IS A FIDUCIARY?

- Plan Administrator 3(16)Outsourcing
 - Industry Trends
 - Differences compared to outsourcing administrative tasks
 - Fiduciary Liability
 - Common Functions Approve / Authorize:
 - Distributions, Form 5500, Hardships, Loans, QDROs, Corrective Amendments, Corrective Distributions, Eligibility Tracking, Notice Delivery

DATA INTEGRATION

Payroll Integration

• 180 Degree Integration

• 360 Degree Integration

Functionality Requirements

DATA

Specific Recordkeeping Platforms

YOUR RESPONSIBILITY: PARTICIPANT COMMUNICATION

Education Strategies

Education Policies

Investment Policies

Retirement Plan Committees

Annual Plan Best Practices

Outsourcing

IMPORTANT DATES & NOTICES COMPLIANCE CALENDAR

ERISA Services, Inc.

Compliance Calendar

January February

March

	Census Deadline
31-Jan	Provide and Confirm to ERISA to meet ADP/ACP
	Test Deadline
	Form 1099-R
31-Jan	Deadline for distributing

sus Deadline	ш		Form 945
e and Confirm to to meet ADP/ACP est Deadline			Deadline to file the Form
orm 1099-R		10-Feb	945 with the IRS,
ne for distributing Form 1099-R			if required

	ADP/ACP Refunds	
l	Deadline to make ADP/ACP Refunds and avoid 10% excise	
15-Mar	tax penalties	
13-14101	Tax Deductions	
	Deadline for Partnerships and	
l	S-Corps to fund and claim	
	deductions.	
	Form 1099-R	
31-Mar	Deadline to electronically file	
	with the IRS	

April

	Tax Deductions		
15-Apr	Deadline for Corporations		
	and Sole Propiertors to fnd		
	contributions and claim tax		
	deductions		
	Excess Contribution Refunds		
	Deadline to refund excess		
	deferrals above 402(g)		
	N-14		

May

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	Engage Large		
l	Plan Auditor		
1-May	Suggested deadline for large plan Form 5500 filers to engage an auditor		

June

П	ш		Tax Deductions
r ers		30-Jun	Deadline for providing all information to ERISA to avoid filing an extension on the Form 5500

July

	Complete Large Plan Audit		
15-Jul	Deadline to submit		
	completed large plan audit		
	report to ERISA		
	Form 5500-5558		
	Deadline for the employer to		
	electronically sign Form 5500		
31-Jul	or prepare an extension		
	Form 5330		
	Deadline for filing IRS Form		
	5330 required if the planis		
	required to pay excise tax		

August

	Census Deadline
31-Aug	Return census data to ERISA to ensure plan meets final Form 5500 filing deadline

September

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	Tax Deductions
	Final deadline for Partners to fund contributions
15-Sep	Mid-Year Testing
	Deadline for submitting Census data for mid-year testing (if rejected) to ERISA
30-Sep	Summary Annual Report
	Deadline for distributing the SAR

October November December

	Extended Large Plan Audits
1-Oct	Deadline to submit
	completed large plan audit
	report to ERISA
	Form 5500
	Final Deadline for he Employer to sign Form 5500
15-Oct	Tax Deductions
	Final deadline for Sole Proprietors and Corporations to fund contributions

udit			
	П		If current SIMPL
e 5500		1-Nov	Plan, or just term SIMPLE IRA Notice be given to emp
le itions			on/before Novem

	Annual Notices
2-Dec	Deadline to distribute participant notices
	Distribution Deadline
I	Deadline to submit
10-Dec	distribution request to ERISA
I	for processing prior to year
I	end
I	ADP/ ACP Refunds
31-Dec	Final deadline for making ADP Refunds

EXAMPLE: Preparation for July 1st Enrollment



- May 1st: Contact Financial Advisor to review Past Year Reports & set up Education meeting in June
- May 15th: Determine Eligibility
- June 1st: Deliver Enrollment Materials to eligible participants & required notices
- June 15th: Financial Advisor holds enrollment education meeting
- July 1st: Enrollment Date



IMPORTANT DATES & NOTICES: Q1

• JANUARY:

- JAN 31 Due Date for Plan Sponsors to return complete Census File and Annual information Request Form to Recordkeeper / TPA
- JAN 31 Deadline for 1099-R reporting to a plan participants for plan distributions in previous year
- JAN 31 Deadline for Form 945 reporting for a plan withholding on distributions in previous year.

• FEBRUARY:

• <u>FEBRUARY 28</u> – Form 1099-Rs for prior year Distributions due to IRS.

• MARCH:

- MARCH 15 Deadline to complete discrimination testing and correct ADP / ACP failure.
- MARCH 15 Employer contributions due (unless extension is filed) – S Corp & multi-member LLC's (K-1 entities)
- MARCH 31 / APRIL 2 (this year)* 1099-R electronic filing deadline with IRS





IMPORTANT DATES & NOTICES: Q2

• APRIL:

- <u>APRIL 1</u> Initial required minimum distributions for any employees who turned 70 ½ or retired in prior year.
- <u>APRIL 17 (this year)*</u> Deadline for 402(g) excess deferral refunds to participants.
- <u>APRIL 17 (this year)*</u> Employer
 contributions due (unless extension is filed) –
- C-Corp & Sole-proprietors

• JUNE:

• <u>JUNE 30</u> – Deadline for processing corrective distributions for failed ADP / ACP tests from plans with EACA without 10% excise tax.



IMPORTANT DATES & NOTICES: Q3

• JULY:

- JULY 28 Summary of Material Modifications (SMM) due to participants
- <u>JULY 31</u> Deadline to file Form 5500 (unless extension filed)
- <u>JULY 31</u> Deadline to file Form 5330 (excise taxes on prohibited transactions) if applicable

• SEPTEMBER:

- <u>SEPTEMBER 15</u> Required contribution to Money Purchase Pension, Target Benefit Pension, and defined benefit plans and prior year employer profit sharing and match contributions for those sponsors who filed corp. tax extension.
- <u>SEPTEMBER 30</u> Deadline for providing Summary Annual Report (SAR) to participants (unless Form 5500 extension is filed)



IMPORTANT DATES & NOTICES: <u>Q4</u>

OCTOBER:

- OCTOBER 1 401(k) Plan Safe Harbor Notice (must be delivered between 10/1 and 12/1 for Plans with a 12/31 plan year-end).
- OCTOBER 15 Extended deadline for filing Form 5500 and Form 8955-SSA

DECEMBER:

- <u>DECEMBER 1 Deadline to provide annual notice to employees of ADP / ACP testing safe harbor provisions, automatic enrollment / contribution provisions and Qualified Default Investment Alternative (QDIA) arrangements.</u>
- <u>DECEMBER 31</u> Age 70 ½ Required Minimum Distribution Due to participants who have begun receiving



Top 10 Issues Found in 401(k) Plans

- 1. Failure to understand & Follow the plan's definition of compensation
- 2. Late or erratic contribution of employee derferrals
- 3. Failure to amend the plan document for tax law changes
- 4. Misunderstanding of eligibility & vesting rules
- 5. Growing forfeiture accounts
- 6. Impermissible in-service withdrawals
- 7. Failure to follow plan loan provisions
- 8. Failure to accurately perform or pass the ADP / ACP nondiscrimination tests
- 9. Matching / Profit sharing calculated incorrectly
- 10. Is your plan "Top Heavy" how does it comply with Top Heavy rules?



Top 10 Issues found in EPTA Audits

- Termination or Partial Termination Potential Vesting / Distribution Issues
- 2. Acquisitions
- 3. Deferral Percentage Tests
- 4. Compensation
- 5. Plan Document
- 6. Vesting
- 7. Distributions and Loans
- 8. Assets
- 9. Limits
- 10. Miscellaneous



INDUSTRY TRENDS

- ADVISOR CONSOLIDATION
- ADVISOR VERSUS FIDUCIARY
- PAYROLL INTEGRATION
- TECHNOLOGY UPDATES WITH RECORDKEEPING PLATFORMS
- ENHANCEMENTS (WEBSITE → MOBILE APP)
- FULLFILLMENT SERVICES
- PARTICIPANT INTERACTION



INDUSTRY CHATTER

- LITIGATION (CURRENT)
- FEE COMPRESSION
- CLEAN PRICING (TAX ADVANTAGES)
- ZERO REVENUE SHARING
- ERISA BUDGET ACCOUNTS
- 3(16) **SERVICES**
- CASH BALANCE / DEFINED BENEFIT PLAN DESIGN



EBSA CONTACT INFORMATION: IMPORTANT RESOURCES

IRS WEBSITE

https://www.irs.gov/retirement-plans

EBSA WEBSITE

www.dol.gov/ebsa

• EBSA Regional Offices

(866) 444-EBSA

Office of Regulations & Interpretations

(202) 693-8500

Office of Exemption Determinations

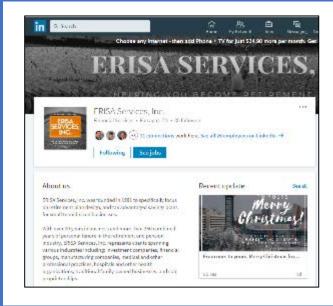
(202) 693-8540

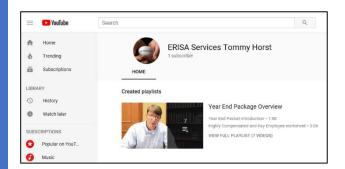
- 401(K) PLAN CHECKLIST
- SIMPLE IRA PLAN CHECKLIST













ALL THINGS ONLINE!

QUESTIONS



WE APPRECIATE YOU!

THANK YOU FOR COMING!