

HICKS NOTES

NH HICKS Experience Counts

Legal and Pension Consultants
(800) 310-4975 | www.nhhicks.com

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By Tom Hicks, Attorney At Law

NH HICKS

We are dedicated to bring “more value” to you and your clients.

- Daily we post multiple articles on Twitter and LinkedIn. Join us, so we can provide you up-to-date retirement plan news.
- Matt Rath and Kevin Evans continue to provide seminars customized for your needs. These seminars include CE credits for CPAs and CFPs.
- Kevin’s office has moved to Concord.
- All Defined Benefit plans must be restated for EGTRRA by April 30, 2012. We’ve completed ours and we are here to assist you.

FINE TUNE 401(k) PLANS

401(k) Plans are a great benefit, but can be confusing to small business owners. Here are some plan features that can be added with little or no additional cost.

Adding a Roth 401(k) Feature – Roth 401(k) simply allows for deferrals on an after-tax basis. Although Roth is a standard feature in new plans, many plans established prior to 2006 have not been amended to include Roth.

Adding Automatic Enrollment – This feature defers a participant’s income automatically if a participant fails to waive participation. It increases plan deferral participation which can help with the required discrimination tests.

Review Selected Investments – Whether the assets are participant or trustee directed, it is the responsibility of the plan sponsor to review and develop an investment policy statement. This requires the assistance of a financial advisor.

We’ve briefly covered a few features and can assist you to fine tune your client’s plan.

COMBO PLANS: A PERFECT ALTERNATIVE

There are two categories of retirement plans: Defined Contribution Plans and Defined Benefit Plans. Defined Contribution Plans allow owners and employees to make contributions which are allocated into their individual accounts. These plans generally favor younger employees who will work more years until retirement.

Defined Benefit Plans provide a monthly benefit at retirement. Contributions for all are placed into one “pooled” account. These plans favor the business owners who are typically older, long-service and highly compensated.

A Combination Plan (“Combo Plan”) combines a Defined Contribution Plan and Defined Benefit Plan and allows owners a two-plan approach to saving for retirement. Combining the two plans maximizes the benefits for owners while providing the minimum benefit to younger employees.

Combo Plans are best for employers who have:

- Business with stable profit stream;
- Older and highly compensated owners;
- Employees who are on average younger; and
- The desire to contribute more than the \$50,000 individual limit.

There are various types of Combo designs. Click [here](#) to get more information on Defined Benefit Plans. Let us help you to select the best plan design for your client.

YEAREND REPORTS GO PAPERLESS

We are sending our yearend administration, including Form 5500, by email. These emails are secure and paperless provides faster service, easy to store documents and is Eco-friendly. Please feel free to contact us with any questions or concerns.

NEED MORE INFORMATION

Reply to us to be contacted by one of our consultants to fully discuss what we can do for your clients.