

HICKS NOTES

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2014 - The Year in Review

As we begin 2015, I want to review what we learned in 2014 and what we can expect for 2015.

Overall, I see 2014 as a rebound year. We experienced a growth in new plans for the first time in many years. We saw an increase in [Uni\(k\)s](#) and [solo Defined Benefit](#) plans as one person businesses began to make money. We added these plans for real estate agents, lawyers, financial planners, and doctors. In our new 401(k) client business, we added computer companies and some clients in the building trades as the economy improved. Finally, we sold new plans as Defined Benefit and Cash Balance plans for those companies with existing 401(k)s who had an exceptional year.

We took over clients from other Third Party Administrators who have grown too fast and gave lousy service, or over charged their clients for excessive and additional fees. We also picked up clients from the payroll companies and bundled providers, who were providing substandard services and hidden fees.

Our new clients came equally from three primary areas. We got referrals from our existing clients, our existing CPAs and financial advisors, and through our internet and content marketing efforts. We still have current capacity for another one hundred clients, so we are set for 2015.

2014 also saw the start of plan sponsors and advisors really attending to their duties under 408(b)(2) and other [disclosure regulations](#). These rules require fiduciaries to fully understand how much each advisor gets paid and the services they perform. In addition, by benchmarking the fees and investment returns, 2014 made everybody more competitive. I see this trend continuing into 2015, as fee offsets from 3rd party payments will continue to be reviewed by plan sponsors. I welcome this review and will continue to harp on my advisors to help provide this service to their perspective and existing clients.

2015 - The Year Ahead

As employers understand the higher tax rates and [deduction limits for 2015](#), new plans will continue to be sold as greater benefits are realized. We are seeing new

401(k) plans going in for larger employers with a matching option. By starting a 401(k) plan early in the year, participants have more time to defer and are able to reach the maximum contribution limit for the plan year.

The [PPA restatement](#) process will dominate much of the talk this year, as administrators and clients continue to work on this process. Fees and plan design should be reviewed prior to the restatement. The deadline for this work is April 30, 2016.

As was true last year, Disclosure work will continue as our entire industry is becoming more competitive. Shopping and understanding fees and services will be important for all 401(k) fiduciaries.

Various revenue procedures and notices are effective for 2015, including new 402(f) tax notice, IRA-to-IRA rollover rules, reducing or suspending safe harbor contributions, and the determination letter and document approval programs for 403(b), Defined Benefit and Cash Balance Prototype plans.

The Department of Labor may be tackling the problems of "who is a fiduciary" and the inherent conflict of interest advisors have while working with 401(k) plans. They are also expected to propose regulations adding life-time income projections on benefit statements and standards for brokerage windows for individual account plans. Finally, they have a priority list for other issues and clarifications under various proposed and final regulations. To see an overview of these issues, [click here](#). We will keep an eye out as they are clarified.

We will continue to provide live and recorded [webinars](#), news blasts, and newsletters as these changes come to fruition. In addition, we will be upgrading our website and mobile site to continue to give you information and sales tools at your fingertips to help you get more business.

In conclusion, change is always the norm in our business. We are excited for the opportunities 2015 will bring and thank you for your past business. As always, please contact us with questions, proposals or referrals.