

HICKS NOTES

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WHAT YOU CAN EXPECT FOR 2016

As we enter a new calendar year, here are a few issues that you need to know to help navigate 2016:

NEW 5500'S

There are expanded and new questions on the Form 5500. For bigger plans, additional questions and reports are required showing benefits and compliance. For an example of the new Form 5500, [click here](#).

FIDUCIARY REGULATIONS

Last year the [Supreme Court Tibble Decision](#), that required fiduciaries to review their plan costs and investments at least once a year. As such, we can expect new fiduciary regulations to work their way through the legislative process and be finalized in 2016. This will have a big impact on how advisors work with retirement plan clients. For a quick review of this issue, [click here](#).

MORE AUDITS

Our firm has seen an uptick in the IRS and DOL audits in 2015. I believe that with the new EFAST filing, the government computers are using special algorithms to check data entries from year to year. Large amounts of money moving in or out of a plan is a trigger. In addition, large investments in nonconforming assets, loans and real estate are being picked for review. Late deposits, RMD's and partial plan terminations are all issues that need to be addressed and aggressively reviewed. There are compliance programs available if these issues are caught early, [click here](#). Staying diligent and making wise investment decisions can help alleviate this problem.

MORE LAWSUITS

We are seeing bundled providers being sued over fee, disclosure and fiduciary issues. Recently, in the case *Santomenno v. Transamerica*, participants were denied a class certification, but the judge did not rule out the initial case of action for excessive fees. In addition, Insperty 401(k), Fidelity and Principal 401(k) have all been sued for excessive fees.

These trends in fiduciary and investment litigation are sure to continue as abuses that have been going on in the industry are coming to light. If you are referring clients to these and payroll company solutions, you are doing them a disservice and may be caught in this trend, [click here](#).

PPA RESTATEMENTS

We have been harping on this issue for all of 2015. By April 30, 2016, all Defined Contribution Plans must be restated for the new law. Many one person plans may have fallen through the cracks. If you work with these clients, follow up and make sure their documents are up to date. For more information, [click here](#).

NEW PLANS

With the economy improving, many companies should be looking at starting a new 401(k) plan now. This will give employees time to defer and start fresh. We see many new plans going in place now. Contact your clients who have expressed an interest in a plan in the past and revisit the issue now. For proposals or help, [click here](#).