

HICKS NOTES

NH **HICKS** Experience Counts
Legal and Pension Consultants
(800) 310-4975 | www.nhhicks.com

July 2016

By Tom Hicks, Attorney At Law

SUMMER HODGEPODGE OF DEADLINES AND OPPORTUNITIES

Summer is a great time to plan for fall marketing, depositing contributions and filing deadlines. This month's newsletter covers various topics you may need to know when working with Qualified Plans.

DEADLINES: **Form 5500** must be filed by August 1st, unless an extension is filed by that date. By filing a one-page extension ([Form 5558](#)) with the IRS, the deadline is extended to October 17th. Employer contributions are due by the time the employer's tax return is filed. For corporations, partnerships, and companies with defined benefit plans, the deposit deadline is September 15th. For defined benefit plans, failure to deposit by this date will result in a 10% penalty for failure to meet minimum funding requirements. A sole proprietor can extend their deadlines to October 17th for defined contribution plans by filing for an extension on their 1040 returns.

In addition, all defined contribution **plan documents** have been restated for [PPA](#) by April 30 of this year. There is a [non-amender program](#) offered by the IRS for those who failed to meet this deadline, where they pay a small fee (\$500-\$1,500 for plans with less than 1,000 participants). Further, the DOL has issued a new adjusted for inflation fee schedule for various correction programs for operation and plan defects. To see this schedule [click here](#).

Finally, it's not too late to install a **SEP Plan** (Simplified Employee Pension) for 2016. These plans can be set up and funded up to the extended date of the employer returns. Pull and complete IRS form [5305-SEP](#) off the internet

and you are set. If an employer has employees who are eligible in 2016 for the SEP, be sure to contact us for a safe harbor 401(k) plan before September 30, 2016 in order to increase contributions to the owners and save them money. For more information about SEPs, [click here](#).

NEW PLAN MARKETING: The deadline for setting up new safe harbor plans for 2016 is September 30th. Now is a perfect time to follow-up with your clients who have looked at a plan in the past and didn't do it, or those who are having a better year as the economy improves. These safe harbor plans can give great benefits to the owners and employees, but the window closes for these in 2 months. Contact your business clients and see if this something they need. We run proposals for free. Just fill out our [proposal request form](#), return it to us, and let us show you what can be done for this year. Time is of the essence and planning is everything.

PLAN REVIEWS: Summer is also a great time to conduct a midyear review of your client's plans with an administrative and fiduciary approach. Are deposits being made timely? Are they following the plan document? Did we enroll those who became eligible during the year? There are a lot of responsibilities that advisors and plan trustees have and a biannual review is always a great idea. Remember to **REVIEW, BENCHMARK AND DOCUMENT**. For an IRS checklist in this area, [click here](#).

As always, we are here to help. Everybody have a great summer and contact us if you need anything.