

# HICKS NOTES

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## NEW TAX RATES MAKE RETIREMENT PLANS MORE APPEALING

2014 has brought an increase in tax rate for those high income earners. All rates were raised because of the automatic increases under the fiscal cliff deal. To see these new rates, click [here](#).

With these new rates, proper tax planning is important now more than ever. Now may be the time to add a one-person Defined Benefit plan or a Uni(k) to owner only companies. These plans are easy and inexpensive to set up and will give your clients larger deductions for 2014.

The one person defined benefit plan (DB) is great for anybody over 40, and can be designed to give them annual contributions up to \$250,000. We have negotiated special fees with our actuary to make these affordable and simple to administer. For information on owner-only DBs, click [here](#). Once an employer has employees, we can use a Defined Benefit/Defined Contribution combination plan design to minimize the required contributions for their eligible employees. For more on DB plans, click [here](#).

In addition, the one person 401(k) is a simple way to give your owner-only companies 25% of their compensation plus the maximum salary deferral of \$23,000 to reach their annual addition limit of \$57,500 for the 2014 year. To learn more about these plans, click [here](#).

For employers with employees in a 401(k) plan, we can allocate employer contributions using a tiered benefit method to minimize employee costs. Let us help your clients by redesigning their existing plans or setting up new plans. For a free proposal or plan review, click [here](#).

## NOW IS THE TIME TO CHANGE TPA FIRMS

With the close of the calendar year, now is the perfect time to make changes to a better TPA.

- Were your clients charged extra "add on" fees?
- Did your client receive their fee offsets because of third party payment from investment companies?
- Did your clients have a constant change of administrators because of turnover?
- Were their calls returned and the answers forth coming?

- How much will they be charged for the PPA restatements?

We have received new clients this year because of all these reasons. Call your clients and ask these questions. If they are unhappy or need a change, we are here to help. You and your client deserve to work with the best! [Contact us](#) with questions or problems.

## NOVEMBER BRINGS DEADLINES & OPPORTUNITIES

There are various deadlines that need to be met before the yearend to keep your plan in compliance. The following are a list Clients and Plan Sponsors should be aware of:

### November 14

- Distribute Quarterly Benefit Statements and Notice

### December 2

- Send 2015 401(k) and (m) safe harbor notices
- Send 2015 Qualified Default Investment Alternative (QDIA) notice
- Send 2015 Automatic Contribution Arrangement notice

### December 15

- Extended deadline to distribute SAR to participants

### December 31

- Process corrective distributions for failed 2013 ADP/ACP testing with 10% excise
- Correcting a failed 2013 ADP/ACP test with a qualified non-elective contribution
- Amend plan for discretionary changes implemented during plan year
- Amend plan to change safe harbor status for 2015 plan year
- Required minimum distributions (RMDs) due for applicable participants over age 70½

Besides these deadlines, now is the perfect time to review the plan and to make sure it is accomplishing its goals. Be ahead and gain the advantage. Wait and you will miss the window of opportunity until another year passes.