

HICKS NOTES

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2017 YEAR END CHECKLIST FOR PLAN SPONSORS AND ADVISORS

As 2017 comes to a close, there are things that need to be done to ensure your plans are complying with the current laws. Below is a quick checklist to use to make sure you are on track for 2018 challenges.

CHANGE SEPS AND SIMPLES TO 401(k) PLANS FOR 2018: If your clients have added employees over the last few years, a review of their current arrangement may call for changing the plan to a 401(k) safe harbor for 2018. By adding this plan, an employer will save a substantial amount required for their employees while increasing the amounts they can put away for themselves. If they haven't funded their SEP for 2017, a 401(k) tiered benefit plan could save them money for 2017.

CONTACT CLIENTS WHO HAD A GOOD YEAR: If your clients have had a good year and want additional contributions, it's not too late to set up or add a Defined Benefit or Cash Balance Plan for 2017. These plans need to be established by December 31st, so contact these clients and discuss how their year went before it's too late.

In addition, if you have a client who has an existing Defined Benefit Plan, they can add a 401(k) and get an additional contribution and deduction for 2017. For a free proposal, [click here](#).

REVIEW LARGE CLIENTS WHO MAY BE APPROACHING 100 PARTICIPANTS: Large plans require an annual independent audit. This audit process and fees can be saved on a Defined Contribution Plan by separating the plan into two smaller plans. The audit test is determined at the beginning of the year, so if this is possible, it needs to be done by December 31st. Contact your large clients as they approach 100 participants and us to see how this can be accomplished for them.

SAFE HARBOR NOTICES: Most notices are due on December 1st and explain what will happen in 2018. A matching, non-elective or "maybe" safe harbor notice needs to be distributed to participants. On December 15th, Summary Annual Reports (SAR) are due and December 31st is the final deadline for adding or starting a new plan for 2017, correcting failed ADP/ACP tests and adopting some plan amendments. For a link to these notices, [click here](#).

REVIEW PLAN ADMINISTRATION PROCESSES: Were deposits made timely? Were loans and distributions processed properly and timely? Identify spouses, including same sex spouses, and make sure forms are signed with spousal consent. Keep participants and your staff happy and you minimize your risk of litigation.

Check to see if you have any participants turning 70 this year and make sure required minimum distribution issues are resolved. Check that your fiduciary bond is the correct amount and in force on our [FAQ page](#). The DOL has increased its intension to audits and access penalties. Can your plan pass an Audit? [Do this review](#) and be ready should government agency come looking.

REVIEW PLAN DESIGN: Can the employer afford its required contributions? Do they want a bigger or smaller contribution? Is the plan benefiting who it's supposed to? By reviewing the current plan design, we will be able to better prepare the employer for 2017 and 2018 to make sure the plan is meeting the employer's needs. Amendments may be needed or new plans installed until December 31, 2017.

SCHEDULE AND HOLD EMPLOYEE ENROLLMENT MEETINGS: Most calendar year plans have January 1st entry dates. Now is the time to meet with new and existing employees to review their investment selections and amounts contributed to 401(k) plans. Good communication is the key to positive retirement outcomes. Now is the perfect time to hold these meetings.

REVIEW YOUR PLAN EXPENSES: Under the 408(b)(2) regulations, all trustees have a duty to review, benchmark and document the fees they pay to all providers. Many disclosures are complicated or buried in various agreement and prospectuses. Take the time to review each fee paid by the employer, the plan and its participants. Compare those to other similar services. They only need to be reasonable, not necessarily the cheapest. Make sure they document the review process.

REVIEW YOU PLAN ADVISOR AND ADMINISTRATOR'S PERFORMANCE: Are calls being returned? Is your contact always changing due to turnover? Did the plan run smoothly last year and were there issues with filings or operations? Are they inflexible and arrogant? Now is the time to make a change before you pay and begin work with your current advisors. Don't stay in a bad situation when better alternatives are available.

In conclusion, by hiring good competent people, qualified plans can run smoothly and efficiently. Companies change. Laws and regulations change. Technologies change. As long as you stay proactive and seek out the best people, plans are great. Need help? Contact us [here](#).