

HICKS NOTES

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ACCOUNTANTS: ARE YOU ASKING RETIREMENT PLAN QUESTIONS?

As tax season is upon us, now is a perfect time to identify issues and opportunities for your small business clients regarding Qualified Retirement Plans. While it is too late to make changes for 2018, there is still time to take advantage of the benefits retirement plans offer for 2019 by planning now. Review these questions as you are working on your clients' tax returns. If an issue arises, contact us and we can fashion a solution to meet their needs. Businesses are in a state of constant change. By being proactive, you can bring more value to your clients and take full advantage of the opportunities presented.

- Does the client need more or larger tax deductions?
- Does the client have any type of qualified plan in place?
 - If no, does the client utilize a SIMPLE or SEP plan that has eligible employees?
 - It is too late to terminate a SIMPLE for 2019, but calendar it for review in October.
- Does the client want to contribute and deduct more than 25% limit within defined contribution plan?
- Has your client received a corrective distribution from a qualified plan reflected by a 1099-R Form?
- Has your business owner deferred the maximum for 2018 (\$18,500 if under 50, and \$24,500 age 50 or older) within their 401(k) plan? Limits increased to \$19,000 and \$25,000 (age 50 plus) for 2019, so payroll changes may be required.
- Does the owner or owners receive \$61,000 (2018 limit) in a combination of deferrals and company contributions from the qualified plan?
 - If so, does the client want more than the \$62,000 annual limit for 2019?
- If the client is maximizing their qualified plan benefits, do they have a spouse who works for the company and is not receiving at least the maximum in deferrals into the plan?
- Has the company significantly grown or reduced in size over the past year?
- Is the company experiencing a hardship that may make funding difficult for 2019?
- Has the company preformed its annual plan review to fulfill their fiduciary requirements for 2018?
- Is the company considering either selling or acquiring other businesses?

If you have answered **YES** to any of these questions, it is time for a new plan proposal or a review of the current plan's design. [Click here](#) for our proposal request form.

A table of the major 2019 limits for qualified defined contribution plans is below. For our complete table detailing both 2018 and 2019, [click here](#).

IRS Limits	2018	2019
Compensation	\$275,000	\$280,000
DC Annual Addition	\$55,000	\$56,000
401(k)	\$18,500	\$19,000
401(k) Catch-up	\$6,000	\$6,000

In conclusion, this list is a good start to identify potential issues with your clients. While not exhaustive, it will open the door to further discussions about the opportunities your clients may have. [Contact us](#), as we are here to help!

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