

HICKS NOTES

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MARKETING SEASON IS UPON US

This month we outline issues, opportunities, and action plans for more qualified plan business in 2022.

Now is the perfect time to prospect for **new defined benefit plans** (DB). The Secure Act allows for plans to be established any time before the filing of tax returns including extensions. That means clients on extension for 2021 still have time to get big tax deductions for 2021. To take advantage of this, a lot must be done before the **September 15th** deadline. Our expert team is standing by to design the plan and prepare the plan documents, so the contributions can be deposited by the deadline.

Clients including real estate agents, attorneys, independent contractors, and others with no employees are best suited for this new rule. In addition, clients who had a great 2021 and sponsor a 401(k) can add a DB for last year.

Accountants - review your clients who have tax burdens and let us help. Financial planners - please review your current clients and see how their taxes are coming along. If they need a deduction, let us prepare a proposal detailing their plan options. If you're looking for an estimate on what the owners may be able to contribute, [click here](#).

Now is also the time to look at **new 401(k) safe harbor plans for 2022**. While a client can still set up a profit sharing plan for 2021, they must set up a plan by September 30th to take advantage of the safe harbor rules for 2022,

These plans work great for small employers where the owners want to maximize their contributions while minimizing the cost for eligible employees. The plan can also utilize the 401(k) safe harbor rules in conjunction with the tiered benefit allocation of any profit sharing contributions to further benefit the owners. For more information on how this works, [click here](#).

Further, you can market to **CalSavers** prospects. While small California employers are supposed to set up a plan or registered for CalSavers by June 30th, many have fallen through the cracks and haven't done it. Employers with no retirement plan and who haven't registered for CalSavers should get ready to pay penalties. The penalties start at \$250 per employee and will be levied on employers by the CalSavers Retirement Savings Board in partnership with the Franchise Tax Board. Do not ignore letters from CalSavers and the EDD.

Employers will benefit from a final CalSavers reminder. Contact all employers and make sure they have met this mandate. Let us show how a qualified plan can work for them. We have installed quite a few plans over the last 6 months as clients complied with this deadline. For information on CalSavers, [click here](#).

Clients with **SEPS and SIMPLES** who have more eligible employees this year should look at changing plans. As these plans grow, they become less attractive for business owners. Let us run some numbers and show them how. Employers who sponsor a SIMPLE cannot adopt a qualified plan for 2022. The SIMPLE can be terminated as of December 31st, if the employees are notified by November 2nd.

Given the **market fluctuations**, now is a perfect time to offer a [fiduciary review](#). This article addresses the issues involved from a liability standpoint and how you can help your clients shield themselves from it.

Finally, clients with **payroll companies or bundled plans** are ripe for the taking. Often, they are in substandard plan design or investments. They pay too much for too little service. Offer a free review and let us help you find a better solution. For the employer's fiduciary and plan review checklist, [click here](#).

Help your clients and prospects save by setting up a plan today! Complete our [Proposal Request Form](#) and return to Debbie Rath at drath@nhhicks.com for the maximum contributions under their different retirement plan options

Bottom line: now is the time to review all your clients and their plan needs. We have the resources and the expertise to help you.