

Retirement Plans Newsletter

March 7, 2018

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Five Retirement Plan Changes That Employers Should Consider (PDF)

"[1] 68 percent of companies automatically enroll workers in 401(k) plans, up from 58 percent in 2015.... 33 percent of companies doing so at a savings rate of 6 percent of pay or higher.... [2] [Add] personalized help tools or products and services to help employees who may want to go beyond auto-enroll.... [3] Be creative with how you match contributions.... [4] Accept roll-ins (if you aren't already).... [5] End automatic cash-outs.... [Instead,] remind former employees that they still have money with your company, and that it can (probably) be rolled into their new job's retirement plan."

Pentegra

[Advert.]

PSCA's 71st National Conference – Early discount extended thru 3/9!



Join us in the Arizona desert to replenish and refresh your retirement plans. Hear from industry experts about issues, trends, and solutions. Spend two days drinking up knowledge that will rejuvenate your plan for the rest of the year! **Register now!**

Millennials Already Falling Behind in Retirement Savings

"Two major obstacles facing many Millennials are access and eligibility for employer-sponsored retirement plans. Only two-thirds work for an employer that offers a retirement plan, comparable to Generation X and Baby Boomers. However, just over half are eligible to actually participate in that plan -- a significantly lower number than the previous two generations."

National Public Pension Coalition

Interesting Angles on the DOL's Fiduciary Rule, Part 82

"On February 12, 2018, the SEC announced a remedial program called the 'Share Class Selection Disclosure Initiative' (SCSDI) ... [which allows] investment advisers who have received undisclosed 12b-1 fees can correct and self-report.... [W]hat are the consequences under the Fiduciary Rule (which became applicable on June 9, 2017) for advisory services to IRAs, where an investment adviser receives undisclosed 12b-1 fees? ... [T]he Fiduciary Rule is more demanding for discretionary investment management than the SEC rules are.... [T]he DOL Fiduciary Rule for non-discretionary advice is similar to the SEC's, but still more

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Webcasts, Conferences

2017 5500 Series Update

March 20, 2018

WEBCAST

*NIPA [National Institute
of Pension
Administrators]*

Where Are We Now? An Update on ERISA Litigation

March 27, 2018

WEBCAST

*Western Pension &
Benefits Council*

Power of 3 Workshop

April 17, 2018 in LA

*Simoneaux Consulting
Services*

Rollover Strategies: Rules, Limitations and Exceptions for Retirement Plans and IRAs

April 19, 2018 **WEBCAST**

*NIPA [National Institute
of Pension
Administrators]*

Four Pillars of Successful Pension Plan Termination

April 19, 2018 **WEBCAST**

*University Conference
Services*

In-Depth Affiliated Service Group with

demanding."

FredReish.com

A Road Map for Effectively Managing a Frozen Pension Plan (PDF)

"This paper provides a four-step road map for deliberate sponsors who want to implement an effective strategy for managing their frozen pension plan -- with the goal of either terminating the plan or managing costs and risks over a longer time horizon.... [1] Evaluate goals ... [2] Understand the liability and other key pension metrics ... [3] Implement an asset/liability investment approach ... [4] Implement and monitor revised investment strategy."

Bank of America Merrill Lynch

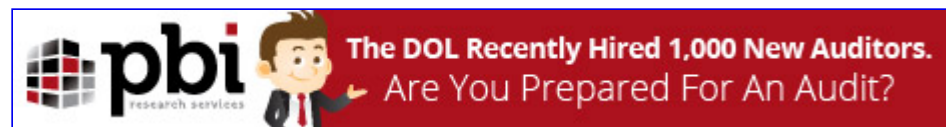
Pension Finance Watch, February 2018

"In a dynamic February for the capital markets, significant changes offset to produce little net impact ... Interest rates increased markedly, equity returns were sharply negative and the Index ticked up 0.1% to 78.8."

Willis Towers Watson

[Advert.]

Navigating the Compliance Challenges of Missing Participants



The DOL is coming ... Pension plan audits are on the rise with a specific focus on the Term-Vested population and RMD. Contact the pros at PBI to learn more about our new Term-Vested Audit & Remediation Service.

2017 State-By-State Pension Benefit Payments

"This listing breaks down the benefits we paid to our participants in 2017. It shows the total amount of benefits paid and the number of people receiving payments in each state. The benefits are from single-employer plans that PBGC trustee over the years. The total benefit amount paid in 2017 was \$5.6 billion to about 868,000 retirees."

Pension Benefit Guaranty Corporation [PBGC]

Oregon Legislature Passes Bill to Reduce \$74.6 Billion Unfunded Liability of Oregon Public Employees Retirement Fund

"The bill sets up two new funds, a side account for school districts to be invested alongside pension assets to reduce school district's pension contributions, and an incentive fund to match certain lump-sum employer contributions to the pension plan."

Pensions & Investments

Benefits in General

[Official Guidance]

Case Studies

July 26, 2018 **WEBCAST**

ASPPA [American Society of Pension Professionals & Actuaries]

Executive

Compensation for Nonprofits - Conforming to the New Tax Law

March 27, 2018

WEBCAST

Nixon Peabody LLP

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Discussions

New Topics on the BenefitsLink Message Boards

New Comments and Topics

All Topics, Grouped by Forum

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Text of IRS Disaster Relief AS-2018-01, for Victims of Tropical Storm Gita in American Samoa

"Victims of Tropical Storm Gita that took place beginning on Feb. 7, 2018 in parts of the Territory of American Samoa may qualify for tax relief from the [IRS].... This relief ... includes the filing of Form 5500 series returns that were required to be filed on or after Feb. 7, 2018 and before June 29, 2018[.]"

Internal Revenue Service [IRS]

Fifth Circuit Changes Course on Firestone Interpretation

"The US Court of Appeals for the Fifth Circuit has held that the default (and less deferential) de novo standard of review under the Supreme Court's *Firestone* decision applies to benefit denials based on factual determinations under [ERISA], rather than the more deferential abuse of discretion standard. The decision overrules long-standing Fifth Circuit precedent, which had become the subject of a circuit split." [Ariana M. v. Humana Health Plan of Texas, Inc., No. 16-20174 (5th Cir. Mar. 1, 2018)]

Thomson Reuters Practical Law

Summary Plan Descriptions Required for All ERISA Retirement, Health and Welfare Plans

"Misconceptions of the ERISA rules can lead plan administrators to believe that they either have provided an ERISA-compliant SPD when they have not, or that an SPD is not required at all.... The penalty for failing to provide an ERISA-compliant SPD to participants in a timely manner, or within 30 days of a written request, can be up to \$147 per day, per request. (This increased from \$110 per day in August 2016.)

Holland & Knight

Executive Compensation and Nonqualified Plans

Private and Public Company Executive Compensation Practices: Where They Merge and Diverge

"Private companies are significantly less likely to provide a regular long-term incentive program (LTIP).... LTIP programs of private companies are very different from public company practices: [1] LTIP grant values are about 30% lower (varies by position and level); [2] 80% of LTIPs are performance cash plans; [3] Much less likely to use real stock or options; [4] Much less likely to use value-based performance measures. Major similarities, however, also exist: [1] LTIP grants made annually; [2] New performance cycles start annually; [3] Vesting over three to four years."

Willis Towers Watson

Stock Option Values: A New Rule of Thumb for Large Caps

"Lower valuations require substantially more options in order to deliver the same grant-date value. This may cause affordability concerns relative to dilution and the impact on share pool burn rate. More options also provide the executive with

greater leverage if the stock price goes up. Companies should consider these factors carefully when deciding how best to utilize stock options as an executive compensation vehicle."

Meridian Compensation Partners, LLC

Selected Discussions on the BenefitsLink Message Boards

Merger/Acquisition When One Corporation Sponsors a SIMPLE IRA Program

Corporation A sponsors a 401(k) plan. Corporation B sponsors a SIMPLE-IRA program. Corporation A is purchasing Corporation B in a STOCK sale, not an asset sale. Can the employees of Corporation B participate immediately in Corporation A's 401(k) plan? I don't think so. Although there is the IRC 410(b)(6) (c) transition period and the 408(p)(10) period available for continuing to run the plans separately, the corporation still exists because this is a stock sale rather than an asset sale, and the SIMPLE IRA can't be terminated mid-year. If it were an asset sale, then no problem. Agree?

BenefitsLink Message Boards

Reporting Corrective Distributions on the Summary Annual Report?

Are corrective distributions reported on the Summary Annual Report? If so, do you include them with the distribution amount or should the amount be reported some other way?

BenefitsLink Message Boards

Excess Deferrals Still Counted Toward 415 Limit?

Let's say an owner who is over 50 deferred \$25,000 in 2017. So, the \$1,000 is excess deferral and will be refunded by April 15, 2018. Would the excess \$1,000 be counted in the 415 limit? So, if the owner wanted to max out with a Profit Sharing contribution, would the owner be able to put in \$36,000 or \$35,000 in 2017?

BenefitsLink Message Boards

Coverage Transition Grace Period for Controlled Groups Applies to Newly Formed Entities?

Entity A sponsors a retirement plan. This employer is now part of a controlled group due to common ownership with Entity B. Entity B is a newly formed entity -- not a result of a merger or acquisition. All of the conditions of the grace period are met. Does the grace period only apply to mergers and acquisitions, or does it also apply to newly formed entities?

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Press Releases

Cammack Retirement Group Investment Team Grows with John Italiano, CFA

Cammack Retirement Group

Blue Cross Blue Shield Association Announces New Specialty Pharmacy Drug Effectiveness Measures

Blue Cross and Blue Shield Association

Guideline Investments, LLC is Certified for Fiduciary Excellence

Centre for Fiduciary Excellence [CEFEX]

DOL Investigation Results in Trustee Being Sentenced for Theft of Employee Benefit Plan Funds in California

Employee Benefits Security Administration [EBSA], U.S. Department of Labor

Marlene Debel to Lead MetLife Retirement Business

MetLife

Wolters Kluwer's ftwilliam.com Appoints ERISA Expert as New Director of ERISA Services

Wolters Kluwer

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