

401(k) Plan Tips, Resources and Thoughts

For Plan Sponsors, Human Resources, CFOs, Controllers & CPAs
401(k) Newsletter from Atlas (Q4 - 2017)

End of Year - Strategic Tax Planning



Most Plan Sponsors and Administrators do not think about Strategic Tax Planning to maximize the benefit of having a 401(k) Plan. Many companies do not have their Census evaluated in October or November to decide on potential Profit Sharing, Vesting Bonuses or other compensation Rewards. If you are very profitable this year, consider distributing some of those profits to reduce your tax burden. Net result, do you want to give the government the money, or reward senior and executive management to help fund their retirement. Remember, under 50 years old you can put away up \$53,000 (contribution, match and profit sharing). Over 50 years old is \$60,000.

One of the top questions we ask to prospective clients or companies we are performing a 401(k) review and benchmark analysis is; "what are you doing for strategic tax planning?". The majority of the time they have never had their Census reviewed for possibilities. Remember, you only have this terrific opportunity to reduce tax burden if you are able to pass all discrimination testing. This includes Top Heavy, ACP and ADP testing. Your TPA will be able to run this analysis and provide different models that may work for you and your company.

Once the analysis is completed, meet with your finance group, accounting firm and your investment committee to discuss the best course of action. Obviously if it was a flush year for profits, distributing profits to help fund participants retirement should be a highly considered option.

401(k) Seminar in King of Prussia/Valley Forge, PA

Topic: "401(k) Plan Design Ideas and Fiduciary Compliance"

Location: King of Prussia/Valley Forge - Thursday October 26th, 2017

7:30am (Registration and Breakfast Provided)

8:00am SHARP - Start of the Seminar

Length - 2 Hours

Continuing Education Credits: **CPE (2.0) - HRCI (2.0)**

[FOR MORE SEMINAR DETAILS and REGISTRATION CLICK HERE](#)



Our New Dedicated 401(k) Web Site - www.Atlas401kPlans.com

We are now *officially* listed in the SHRM National Vendor Directory as a Premier Partner

[Click Here to view the listing](#)

Good Article Links:

[Why We All Love 401\(k\)s](#)

[Why Are Women Less Risk Tolerant Than Men?](#)

[The Top Reasons For 401\(k\) Plan Participation?](#)

[Invisible Costs: A Drag on Investor Return?](#)

[Active Gains Ground, But..... \(Active vs. Passive Investing\)](#)

[Here's Why \(Again\) 401\(k\)s Are So Important](#)

[401\(k\) - Top 6 Reasons Why It's That Important To Your Business](#) - **Authored by Ron Lang**

Need a Speaker for your **Human Resource Association/Group OR **CPA Association/Group****

Ron Lang has been a very well-received speaker at many groups and offers a variety of topical content that have been SHRM, HRCI CE and CPE approved. - [EMAIL For More Information](#)

Are You A Fiduciary On Your 401(k) Plan?

This is a question we don't get often enough and is often forgotten in ignorance. Many people that may not think they have fiduciary responsibility, **but truly do**. If you are a/in business owner, management, human resources or business partner, you could have some level of fiduciary responsibility. If you are unsure, you need to contact your 401(k) Service Provider and/or an ERISA attorney. One of the best things your company should consider is outsourcing the 3(38) and 3(21) fiduciary responsibility.

Fiduciary Compliance Tip - If you have "eligible" employees for the 401(k) plan and the decline to participate, make them sign a letter that they have declined participation in the plan. If you ever get audited you now have documentation that they declined to participate. Consider doing this every year, not just the first year they are eligible.

Understanding 3(38) and 3(21) Fiduciary Responsibility - [CLICK HERE](#)

Popular Topics from Prior Newsletters

Do you have a HSA (Health Savings Account) Program?

One of the fastest growing company benefits that is a minimal cost to the company, but provides maximum benefit to the employee. If you have a "High-Deductible Health Plan (HDHP)" with a deductible over \$1,350/year (Self-Only) or \$2,700 deductible for Individual with Family Coverage, this is an inexpensive way to help them pay for healthcare during the current year (Pre-Tax) and save for future healthcare costs as they age and eventually retire. The HSA acts as a savings account that grows "tax free" and for the employees that truly are conscience of healthcare costs (both current and future), they will welcome this added benefit.

Contribution Limits (2018) -

Self-Only Coverage (\$3,450/annually), Individual with Family Coverage is \$6,000/annually)

Out-of-Pocket Expenses(2018) -

deductibles, co-payments and other amounts, but not premiums - are \$6,650 or less for Self-Only Coverage or \$13,300 or less for Family Coverage.

[Click Here for More Information on Company HSA Plans](#)

Changes To Consider To Your 401(k) Plan In the 2nd Half of 2017

Auto-Enrollment - To help with participation rate you should consider this option. Obviously each participant could withdraw from the plan, but any company with a 401(k) Plan must make a concerted effort to encourage retirement savings and thoroughly explain the benefits on the plan.

Roth 401(k) - About 70% +/- of companies are offering the Roth 401(k) option. This is an option that has been available since 2006 and provides a lot more flexibility to participants that want to add this to compliment their traditional 401(k) plan or as a sole account for post-tax savings. The major benefit to the participant is after the age of 59 1/2, the participant can take the money out penalty and tax free, but the money grows tax-free over time.

Stepped-Up Match - This program encourages and rewards tenure in a company. You can setup tenure ranges with associated match percentages that work best for your participants. For example only, you could have the following Stepped-Up Match ranges; 1-3 Years (2%), 4-7 Years (3%), 8-12 Years (4%), 13+ Years (5%). Remember, any changes to the tenure ranges and associated match percentages you need to update all adoption agreements and effectively communicate to all eligible employees.

Ask yourself and your 401(k) Plan Committee the following questions:

1. Have you reviewed your Investment Policy Statement (IPS) annually?
2. Have you compared EACH of your Funds/ETFs for reasonable fees and performance?
3. Have you sent out a company survey of 5-7 questions to solicit feedback on your 401(k) Plan?
4. Do you have a complete "Fiduciary File" of all your 401(k) Plan documents (centralized)?
5. Have you checked your Fidelity Bond amount to make sure it covers your total plan assets?
6. Do you have procedures for new eligible employees on your plan?
7. Do you get good service? Calls frequently? Offers Education? Offers tax strategy consulting?
8. Have you interviewed 1-2 other companies just to compare service and asset offerings?

(These are just a sample of important questions to ask at this time of the year)

401(k) Plan Review - Checklist

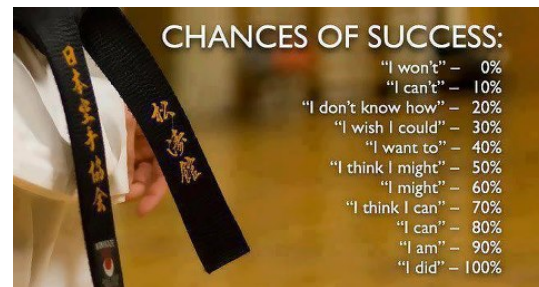
Atlas has provided a 2-Page 401(k) Plan Review checklist for you to download

[CLICK HERE TO VIEW THE CHECKLIST AND DOWNLOAD](#)

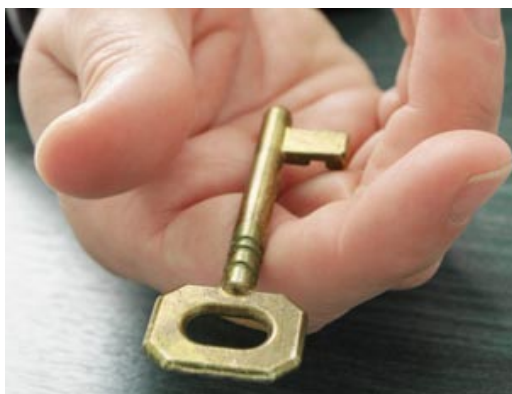


Article: Why You Need a TPA For Your 401 (k) Plan

This article reviews why you need and should use a TPA(Third-Party Administrator) and the basic functions and services they provide. Unless you have someone with extensive experience on staff, you should have someone outside your organization review your plan structure along with flexible options, submit all required government forms and run all necessary tests to make sure you are in compliance. This article was written and provided by Nora Bethman from NEBS.



[Link to Complete Article](#)



Benchmark Your 401(k) Plan Today

It is your **Fiduciary Responsibility** to make sure that your plan has a reasonable fee structure and your Fund/ETF Lineup is performing as expected. If the independent Benchmark Report identifies issues and you don't take care of them, you could be at risk for an DOL Audit.



401(k) Education Workshops

We have recently just posted our latest workshop schedule. The workshops are on Plan Structure and DOL Fiduciary Responsibility. If you are involved with your company 401(k) or have clients that have a 401(k) plan, you need to

[Click Here for Benchmark Report Info](#)

attend. This workshop is for Plans Sponsors, HR, CFO's, Controllers, Business Owners & CPAs (CPE Credits offered). We pride ourselves on Providing Education along with topical, timely and very useful information.

[Click Here for Workshop Schedule & Registration](#)



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