

*Yes, A Superior 401(k) Plan is Possible  
We are Crusaders Against Wall Street Greed!*

**Outstanding Content, Retirement Plan Tips, Articles,  
Juicy Nuggets, Events, Resources and Overall Thoughts**

# 401(k) Newsletter (Q3 - 2020)

**For** Benefits, Human Resources, CFOs, Controllers & CPAs



## Topics in this Edition:

- **Your 401(k) Plan** - What you need to do now!
- **Webinar:** Changing Providers? Top 9 Things You Need To Know! *(no charge to attend)*
- Secure Act 2020 **(Reprint)**
- New 2020 Contribution Limits for Retirement Plans
- Benchmark Your Plan (and a Fiduciary Review)
- HSA (Health-Savings Account) Contribution Limits Raised for 2020
- **Articles** You Should Read
- **Fun Links** For Everyone **(Always a FAVORITE!)**
- Archived 401(k) Article Topics Resource Section - Links
- **Need a Speaker** on Financial or Investment Topics

## Your 401(k) Plan - What you need to do now!

It's been an interesting first half of 2020 and many people are already writing off this year and looking into 2021, specifically the second half of 2021 into 2022 for real economic growth and businesses that are non-essential to come back even stronger....if they can survive until then. We've have been lucky with our roster of clientele that they haven't been hurt too bad, but everyone had to make adjustments, some were painful.

### Investment Committee Meeting

The 401(k) Plan is still an "essential" part of your benefit and compensation offerings and even more so now while some have needed to tap it for mandatory expenditures. How well is your plan performing through the ups and downs of the market? You need to assess this. First thing you should do if you haven't done it already in 2020 is schedule an Investment Committee Meeting. Use your IPS (Investment Policy Statement) as your guide or agenda for reviewing performance and especially fees. If you have been an avid reader of our materials or attended one of our seminars or webinars you know that our motto is "Crusaders Against Wall Street Greed". Meaning, focusing on reducing fees is a mission-critical focus for having a "best-in-breed" plan. All plans are usually within 5%-15% up or down in fees, across the board with administrative and fund fees. The major difference is "who pays the fees". The DOL (Department of Labor) and ERISA have been coming down on companies that push and burden the participants with the lion share of the fees when the company should be taking care of it. The difference is value, which the DOL and ERISA use that as an ambiguous term so the

interpretation is open-ended. Meaning, you can charge more for fees, if you can show value in the services that are being provided to justify them. You need to be conscience of the fees and this is typically the number one area that is focused on when a 401(k) Plan is being audited.

### **On-Boarding (Remote Workers)**

With remote work becoming the ubiquitous way to cohabitate with your company and coworkers, new employees eligible for the plan will have a difficult or impossible time attending a group meeting to on-board for the 401(k) Plan. You need to come up with unique ways to get them on-boarded to the plan. Perhaps setup a webinar that is company sponsored. Book at least 2-3 times for this webinar during business hours, especially if your company works across different time zones. Also, work with your service provider to schedule weeknight or weekend webinars as participants like to include their spouse or life partner.

Providing flexibility is critical to increasing their Participation Rate. But you should know that the 401(k) is meant to help Attract and Retain employees, in addition to Rewarding and Motivating them with compensation incentives that the 401(k) can include.

If needed, maybe try a quick survey to find out how eligible and future eligible participants would like on-boarding if they are working remotely. The more you can include them, the better chance you have to get them to participate in the plan.

### **[IRS Provides Help - 401\(k\) Fix-it Guide - CLICK HERE](#)**

Education is critical, but most companies are doing it wrong. Group meetings only is not the answer. You need a combination of group meetings, one-on-one investment guidance availability and even a video may help. Keep the topics and content simple-to-understand. The more intermediate and advanced topics should be saved for the one-on-one conversations to participants who have some investment background or wanting to learn more about investing in greater detail. Follow-up is probably the most critical component to Education success. You can provide investment education to a group of people and they may be motivated at that time, but without follow-up, a high percentage of those people will not follow through on enrollment, investment planning, etc.

Lastly, Atlas will be discussing "Asset Protection" in future newsletters. With the New Secure Act of 2020 (more info below), 401(k) Plans can now add safe Annuity options to protect principle and guarantee income when participants reach retirement age. This will be a very important component moving forward as participants want more diversity in their asset options. Asset Protection is becoming more top of mind as the stock market reaches new highs and geo-political events are becoming more tense. We all know everyone wants all the upside and none of the downside in their investment accounts. No one likes volatility, but if you are investing and taking the "long game approach", diversification is critical to your success. If many of your participants are looking to retire in the next 5-10 years, they need education and quality choices for peace of mind.

[CLICK HERE To Schedule a Call with an Atlas Investment Advisor](#)

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## **WEBINAR: Changing 401(k) Providers? Top 9 Items You Need To Know!**

If you are looking to change 401(k) service providers in the nest 6 - 12 months, you need to attend this "no charge" webinar event. We will review the Top 9 Items You Need To Know in considering the right provider to service and support your 401(k) Plan.

**Time:** 45 Minutes / **Cost:** No Charge

## [CLICK HERE TO REGISTER](#)

### Agenda (Part 1):

- Introduction
- General Services / HSA / Fixed-Indexed Annuities
- Conversion Timeline
- On-boarding & Education Programs
- "Give Back" Program
- Individual Financial & Investment Guidance

### Agenda (Part 2):

- ETFs vs. Mutual Funds
- Fiduciary Responsibility / Investment Committee Meetings
- Administrative & Fund Fees
- Service Response & Proactiveness
- Bonus: Review of the "401(k) Service Provider Comparison"
- Questions & Answers

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## The New Secure Act is now in place for 2020. (REPRINT)

**Participation by Less than Full-Time Employees.** Employees who have three consecutive 12-month periods of at least 500 hours of service and satisfy the plan's minimum age requirement must be allowed to make deferral contributions — in addition to employees who have fulfilled the general one year of service requirement by working at least 1,000 hours during one 12-month period. This group can be disregarded for nondiscrimination testing. These changes are effective for 2021, but no 12-month period that begins before January 1, 2021 shall be taken into account

**Required Minimum Distributions (RMDs).** The age at which required minimum distributions must generally begin will be increased to age 72 from age 70 ½. These changes are effective for distributions required in 2020 and later years, for those who reach age 70½ in 2020 or a later year.

**Insurance/annuity safe harbor and portability.** An objective fiduciary safe harbor for the selection of a lifetime income provider is being added to encourage employers to offer in-plan annuity options. The SECURE Act also provides for tax-advantaged portability for a lifetime income product from one plan to another or between plans and IRAs to help avoid surrender charges and penalties where the lifetime income product is removed from a particular plan. The safe harbor is effective as of the date of enactment and the portability provisions are effective January 1, 2020.

**Lifetime income disclosure.** A separate provision also requires participant lifetime income disclosures illustrating the monthly payments if the participant's account balance was used to provide lifetime income in an annuity. These changes are effective for benefit statements provided more than 12 months after the Department of Labor provides guidance, which must be completed within one year of the date of enactment.

**The SECURE Act also repeals the maximum age for IRA contributions** (so an individual can make traditional IRA contributions at any age) and eliminates the stretch IRA. As to the latter, non-spouse beneficiaries of inherited IRAs will be required to take their benefits in income on an accelerated basis which can have estate planning implications for individuals and families. These changes are effective January 1, 2020.

[CLICK HERE To Schedule a Call with an Atlas Investment Advisor](#)

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## CONTRIBUTION LIMITS for 2020

401(k) - \$19,500 (Participant) plus \$6,500 (Catch-up Contribution over 50)

SIMPLE IRA - \$13,500 (Participant ) plus \$3,000 (Catch-up Contribution over 50)

Individual - \$6,000 plus \$1,000 (Catch-up Contribution over 50)

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## Benchmark Your 401(k) Plan (along with a Fiduciary Review) - *no charge*

Every year most companies perform a review across all departments and benefit offerings. First, its part of your Fiduciary Responsibility to get this done every couple of years. Second, it helps create a baseline that you can build off of if you are looking to review your Service Provider and review your asset lineup for performance versus it's benchmark. Compare your fees (administrative and fund fees against DOL reasonability), Fund Performance and get a Fiduciary Compliance check-up.

[Click Here for More Information](#) (*no charge*)

[CLICK HERE To Schedule a Call with an Atlas Investment Advisor](#)

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## HSA (Health Savings Account) Contribution Limits for 2020

For a Single Person the HSA is being raised \$50 to \$3,550 and for a Family, HSA is being raised \$100 to \$7,100. Over 50 years old, the catch-up contribution remains at \$1,000. HSA has been a growing trend for companies and individuals who have a " *high-deductible healthcare plan* ". It is a cheap benefit for companies to offer their employees and as a "pre-tax" benefit for both short-term and long-term money and investments, its almost a no-brainer. DON'T Forget, if you company doesn't offer a HSA, you can set one up on your own. [Learn More](#)

[CLICK HERE To Schedule a Call with an Atlas Investment Advisor](#)

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## Important Articles You Should Check Out

[Fidelity: 401\(k\) Lawsuit Costs \\$28.5 Million](#)

[New DOL Fiduciary Rule Package: What You Really Need to Know](#)

[Fidelity Fees Are Top 401\(k\) Litigation - CLICK HERE](#)

[The 5 Biggest ERISA Retirement Plan Settlements of 2019 - Click HERE](#)

[The More \(401\(k\) Choices The Merrier, Morningstar Finds - CLICK HERE](#)

[How to Establish a Strong Investment-Focused 401\(k\) Plan Committee - CLICK HERE](#)

## FUN LINKS

[10 Best and Worst States to Retire in 2020](#)

[The 13 Best Bottles of Vodka for Every Type of Drinker](#)

[The Untold Truth about Frozen Pizzas](#)

[The 10 Worst Albums by 10 Brilliant Classic Rock Bands](#)

[10 Hard Rock Albums That Were A Nightmare To Make](#)

[Remembering John Lennon's track-by-track Analysis of The Beatles album "Abbey Road"](#)

**Reuters Special Report : *"Fidelity Puts 6 Million Savers on Risky Path"* - [CLICK HERE](#)**  
***Atlas Response to the Reuters Special Report - [CLICK HERE](#)***

## Archive of Prior Atlas 401(k) Quarterly Newsletters

[CLICK HERE FOR COMPLETE LISTING](#)

### ***MORE Article Links that you will find Interesting and Educational:***

Transamerica settles 401(k) Excessive-Fee Lawsuit with its Employees for \$3.8M - [CLICK HERE](#)

Wells Fargo's 401(k) Rollover Practices Under Investigation - [CLICK HERE](#)

Merrill Lynch to Pay \$25M in Lawsuit Over Fees in Small 401(k)s - [CLICK HERE](#)

Millions of Americans Overlook Retirement Savings Tax Credit - [CLICK HERE](#)

From SHRM - "401(k) Plan Sponsors are Focused on Fees" - [CLICK HERE](#)

VOYA Targeted in 401(k) Fee Suit - [CLICK HERE](#)

Wells Fargo Class Action Law Suit against its 401(k) Practices - [CLICK HERE](#)

What Happened With IRA Balances, Contributions, Allocations And Withdrawals?" - [CLICK HERE](#)

[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(SHRM) 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](#)

[CLICK HERE - Full Bio on Ron Lang & Recent Speaking Engagements](#)

***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](#)



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