

For Benefits, Human Resources, CFOs, Controllers & CPAs

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



401(k) / Compensation Ideas



Topics in this Edition (Q1 -2021):

- **Your 401(k) Plan** - What you need to do now!
- 2021 IRS Limits have been announced with few changes
- Benchmark Your Plan (and a Fiduciary Review)
- **HSA** (Health-Savings Account) Contribution Limits Raised for 2021
- **Fun Links** For Everyone (**Updated**)
- **Articles** You Should Read about 401(k) Plans
- Archived 401(k) Article Topics Resource Section - Links
- **Need a Speaker** on Financial or Investment Topics



Your 401(k) Plan - for Q2 2021

To many, the 401(k) Plan is quite the enigma, a puzzle that seems to be very difficult to solve, except most Plan Sponsors aren't aware of the different options you have to compensate and reward employees. There are creative Company Match options along with Profit Sharing distribution that is not taken advantage of very often. More established plans haven't made changes in years. It has been quite amazing over the years, although it shouldn't be at this point how many companies do not have an Annual Investment Committee meeting and/or do not run an independent Benchmark Analysis on their plan every 1-2 years. First it is an important component to satisfying your fiduciary

responsibility and secondly it is a double-check to make sure your fees are reasonable and your funds are performing as expected. Of course if your fees are higher and your funds aren't performing and you do "nothing", then you are at-risk for an Audit.

Top Reasons Why You May Get "Audited":

- High Administrative Fees that may be passed on to the Participants.
 - *The DOL frowns upon burdening participants with most or all of the Admin fees.*
- High Fund Fees and you never Benchmarked your plan or did anything about it if you knew.
 - *If you don't do something about high fees, there could be citations by participants.*
- No or little Investment Guidance provided by licensed Advisors (by phone or on-site offered).
 - *You should offer at least one day on-site for an Advisor to meet with Participants.*
 - *w/COVID, you could offer Webinars for group education, then remote one-on-one.*
- No Annual Review of 401(k) Plan for review of Fees, Fund Performance or Improvements.
 - *If you don't have a review and "neglect" the plan, there could be citations.*

This is one of the simplest functions of being a Plan Administrator or having a fiduciary responsibility to the plan itself. If you don't have a plan or process in place to monitor your plan, then your Advisor on the plan should. That Advisor should (or could) be your Fiduciary 3(38) which represents the Plan Sponsor to help them with the Asset Lineup and monitoring of the funds, running Annual Investment Committee Meetings, plan document recommendations and benchmarking. Unless management has a relationship with the Advisor that has skewed their objective view on what's best for the plan and the participants, you need to look passed that. If that relationship is too strong that could hinder the plan growth, flexibility and expose the plan to a possible audit if neglected.

We speak from experience and our goal is to provide you information to "inspire action". Those of you that have attended our seminars and webinars know we speak about inspiring action because "status quo" shouldn't be a policy of the company or the plan administrators.

Considerations to Compensation that compliments a 401(k) Plan:

- **SERP (Supplemental Executive Retirement Plan)** - this plan is a great compliment to a 401(k) Plan because it is "non-discriminatory". Meaning, you can "pick and choose" who gets compensated without discrimination testing. Typically you choose how the compensation will be paid annually over a set amount of years. The money grows tax-free and you only get taxed when the money is taken out. This is the simple explanation.

This type of plan is also known as a NQDC (Non-Qualified Defined Contribution)

- [For more information on a SERP - CLICK HERE](#)
- [Good article on NQDC - "The NQDC Market" - CLICK HERE](#)

Another Recommendation:

- **Force Outs and Rolling Out of your Plan** - Keeping people that no longer work for you COSTS YOU MONEY! It is important that you have a good policy in place for those that have balances under \$5,000 and to work on Rolling out former employees that have a larger balance. Estimated costs could be between \$75-\$150 per year for those former employees.

[Article "CARES Act Considerations: CRDs, RMDs, Taxes and More" - CLICK HERE](#)

[Article - "How Companies Successfully Ran Virtual Open Enrollment in 2020" - CLICK HERE](#)

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

2021 IRS announced few changes to 401(k)

[CLICK HERE for complete list](#)

RETIREMENT PLAN CONTRIBUTION LIMITS for 2021

[FOR ALL THE DETAILS OF 2021 RETIREMENT PLAN CONTRIBUTION LIMITS](#)

Benchmark Your 401(k) Plan (along with a Fiduciary Review) - **No Fee**

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 to provide these analytical reports)*

HSA (Health Savings Account) Contribution Limits for 2021

[CLICK HERE FOR ALL THE CHANGES TO HSA \(HEALTH-SAVINGS ACCOUNTS CONTRIBUTION LIMITS](#)

It's like having a 401(k) for your Health-Savings! Except you can use the money for short-term and long-term while it grows tax free.

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

FUN LINKS

[The Best Health Restaurants in Every State](#)

[These Are the 50 Most Covered Songs of All-Time](#)

[Coolest Gifts for Cat and Dog Lovers This Year](#)

[25 Facts About Food Allergies](#)

Important 401(k) Related Articles You Should Check Out

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

[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 More \(401\(k\) Choices The Merrier, Morningstar Finds - 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:

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

Atlas Response to the Reuters Special Report - [CLICK HERE](#)

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](#)



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