



**PENSION
PLAN
SERVICES**
INC

Summer Snippet

June
2008

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Topics we will cover at our June 23rd morning education session:

Automatic Enrollment: There are several new types of automatic contribution plans that involve notice requirements, automatic increases, and a safe harbor version of plan contributions that allow for longer time periods of vesting and compliance testing.

Qualified Default Investment Guidance: Fiduciaries can now have relief for plan contributions that are invested when employee direction is absent. Certain investment arrangements have been deemed a “safe harbor” to receive plan contributions made on behalf of plan participants who do not return to enrollment forms, or make investment selections.

Fiduciary Roles: We will outline and explore the roles and responsibilities of the parties needed to run a successful retirement plan, and answer questions such as: What is a Co-Fiduciary? What is required of a Trustee? Is the investment advisor a Fiduciary?

Roth 401k: We have already seen success with Roth accounts. Learn more about these types of contributions and if they are right for you or your employees under the plan.

DOL and IRS Initiatives: Reasonable expenses, deposit timeliness, proper disclosures are of importance amongst these governing entities and congress.

401(k) Fair Disclosure Act: Proposed legislation suggests a new set of disclosures and notices to plan sponsors and plan participants regarding fees.

Pension Protection Act: Don't understand the need to pass out seemingly redundant notices? There is an explanation, may not be good, but better safe than sorry is the mode until clarifications are released.

Client and Advisor Appreciation Event!

June 23rd is our educational seminar and golf outing as a token of appreciation for all who support us. Come for education about important retirement plan issues then relax and have some fun. Hyperion Field Club
7:30 Breakfast
8:30-11:30 Seminar
12:00 Golf Outing
RSVP to Susie Clouser at (515) 223-0433 or sclouser@pensionplanners.com

Welcome to Geri Troxel, Benefits Administrator

Geri has joined the PPS staff for payroll and benefits processing. We greatly appreciate having Geri with us and for the patience of our customers during the staff transition. It is our goal to provide continuous gratification of our payroll and flex process for your benefit.

“Prophet Sharing”...

I have placed my rainbow in the clouds. It is the sign of my permanent promise to you and to all the earth.

Genesis 9:13

Our thoughts and prayers to those affected by flooding and storm damage

Continued...

Plan Document Restatements:

The Economic Growth and Tax Relief & Reform Act of 2006 changed several provisions in retirement plans. As each act became effective, your plan was kept in compliance with "tack-on" plan amendments. The IRS has now approved a brand new, rewritten prototype document that incorporates all of the new language and has mandated that all plans be restated. You may remember this process with GUST restatements, and can now typically expect it to reoccur every 5 or 6 years as the laws continue to change. The deadline for restating your plan is April 30, 2010. While this may seem far away, we anticipate the busy seasons for all of our businesses will consume some of those months. We feel the restatement process should provide you an opportunity for an in depth review of your plan design and provisions. We will be contacting you with more detailed information on the restatement process and associated costs.

Looking for Money?

Sometimes plans can reduce hard dollar costs by looking at how money within the retirement plan can be used. When the economy is tight, every little bit can help.

- 1) Look at Forfeitures. They can be used to reduce ongoing contributions, reallocated as a contribution among participants, or used to reduce administrative expenses (such as our invoice). Know how to check the forfeiture balance of your plan (often online) and see if there are funds sitting in an unallocated account to be used according to your plan provisions.
- 2) Combine Services: Could we be saving you time and money by providing payroll and flex plan administration services in combination with your plan? We offer a 20% discount off these services with the retirement plan administration. We submit contributions, handle payroll stuffers and deferral changes, streamline year end processing, and can better assist with compliance testing design and planning. We would be delighted to provide you with a quote.
- 3) Participant Fees: Certain plan expenses can be passed on to the employees, such as loan maintenance fees and distribution processing fees. If you are bearing these costs and wish to make a change, a fee disclosure needs to be prepared and distributed to your participants.
- 4) Match formula: Is it time to reevaluate your match formula? Perhaps you have a Safe Harbor plan with an enhanced match. The plan may be contributing more than the minimum required formula or contribution level. Sometimes, the 3% contribution to all employees may be a lower amount to satisfy Safe Harbor than the match formula. A reminder it is a yearly election 30 days prior to plan year end.
- 5) Review Investment Platform Fees and Administration Fees. Not EVERYTHING may be negotiable, but sometimes contracts can be renegotiated due to an increase in level of plan assets. Admin fees may change due to certain demographics, plan design, and can differ among investment platforms.

Your investment advisor or PPS plan representative are happy to consult with you on any of the above.

PPS Mission: To personally and professionally engage with clients to provide services that positively impact their business and employees.

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Thank you so much for your business