



Qualified Retirement Plan
Consulting & Administration Services

FREE MONEY!!!!

Just kidding, but now that we have your attention...We hope your summer is progressing well! There are upcoming efforts we wanted to share with you and decided to make them the substance of a mid- summer newsletter.

The year end valuation work is done for most of you and as part of your annual report package; you should have received a **Client Satisfaction Survey**. For those of you who took the time to complete and return it - Thanks! For those of you, who may not have had the time just yet, please try to squeeze it into your day. It is a valuable tool for us to see how you think things are going, for us to see how our administrators are doing, and to see what else we can do for you. If you need another form, please feel free to call Laura Buda (our front desk coordinator at 861-7652). She will get another copy and reply envelope out to you!

Plan Document Restatements for Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) - We've mentioned it before, and now it is closer than ever. While the IRS/DOL has graciously given us until April 2010 to complete the process for our clients, we would like to use that time to begin a discussion around potential plan changes that may make sense for you to consider.

These changes included the following:

Compensation - This is by far one of the most complicated issues in your plan's administration. Can we make the definition of plan compensation easy to understand and easy to gather? You bet! Our suggestion would be to use Box 1 of the Form W2, including any salary deferrals that are not included in Box 1, for example 401(k) and Section 125 deferrals. We come to you, or even better, your payroll provider once a year, ask for the Box 1 compensation and the deferrals and away we go! However, there are other components of compensation you may have that we should review and consider. Do you have taxable fringe benefits that are reported in box 1, like moving expense reimbursement or car allowances? Do you have any nonqualified deferred compensation arrangements stock options - qualified and/or non-qualified? How should those extra components be handled for plan purposes?

Allocation formula - Is your current plan design working for you? Does it properly target those employees you wish to reward? Does it continue to increase retirement savings for you and your employees? We can certainly talk about a class allocation option that may provide additional flexibility.

Discrimination testing got you down? Maybe it is time to talk about the Safe Harbor formulas the IRS makes available as a valuable tool to increase retirement savings for all while minimizing the risk of failing the wide variety of testing that is required each year.

Distributions - Does your plan currently offer hardship withdrawals or loans? Should you make your employee's retirement funds easier to get at, or harder? What is the goal for this plan - savings to be used for retirement, or savings to be used now?

Fees - Plan expenses can add up! How should they be paid? Can the plan assets pay the fees? Should the participants pick up the tab for their own transactions such as loans, hardship withdrawals, distribution processing? What other options are out there for you to control expenses while maintaining this valuable retirement planning tool?

Listen for your call from the administrator handling your plan. We want to be sure to cover the topics discussed above as well as anything else you feel is important as we assist you in reaching your retirement goals.