ACTUARIAL CONSULTANTS, INC.

Action Items

Run To, Not From, Your Fiduciary Duties

(From the Philosophical to the Hard Concrete For Plan Sponsors)

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In my November 2011 Action Items article entitled "What I will tell your Board when I attend your next Meeting" I reviewed the importance of fiduciary process and the pending Department of Labor regulations. This article will start with some philosophical thoughts and end with some practical solutions.

Why does any of this matter?

The hot new question in the retirement plan service provider world is "are you an **investment fiduciary**"?

Registered Investment Advisors have generally focused as being ERISA fiduciaries either with **shared** investment discretion with the Plan Sponsors (ERISA 3(21) Advisors) or with **sole** investment discretion (ERISA 3(38) Advisors).

The brokerage community has generally felt that their financial representatives should not and are not acting as fiduciaries to retirement Plans. Now they are allowing some of there more active retirement plan representatives to act as ERISA 3(21) Advisors and in addition some are building internal ERISA 3 (38) solutions.

Platform providers seem to all have or are developing "fiduciary solutions."

Some Third Party Administrators are operating as compliance providers **and** providing investment advice for a fee in which case they may be operating in a fiduciary capacity and they may not know it or are ignoring it.

Traditional Third Party Administrators are generally not operating in a fiduciary capacity. For the record, ACI does not render investment advice for a fee and is therefore not a Fiduciary.

Generally all of the above are "Covered Service Providers" (CSP) under the Final Regulation (ERISA 408(b)(2)) issued on February 2, 2012, with the exception of a traditional TPA who does not receive "indirect compensation". From a

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TPA perspective this comes in the form of revenue sharing from the Platform provider.

It is important for Plan Sponsors Fiduciaries (ERISA 3(16)) responsible for selecting and monitoring service providers to know the roles being played by their service providers, so that they can determine the **reasonableness** of the services being provided and the compensation being received by them.

Viewed differently, Plan Sponsors have not just Investment Fiduciary duties; but also non investment matters of operating the plan according to its terms.

In the end game the Plan Sponsor or appointed Committee needs to be looking out for the plan participants and helping them achieve the goals of the plan. In our view the plans that are successful are the ones that have Plan Sponsors that know what they need to know to operate the plans. Most plan sponsors "do not know what they do not know". Therefore they need to carefully select service providers that they trust and hold them accountable.

This is not just great for the plan participants; but also the proper discharging of their fiduciary duties for which they have personal liability.

<u>What's New That Plan Sponsors Should know?</u>

Since my November 2011 articles in our Action Items Newsletter (you can access this through our Library on our ACI website) significant final regulations were released on February 2, 2012

Final ERISA Reg on **408(b)(2**) for **all Covered Plans** (CPs) requires that CSPs provide to disclosures to the "Responsible Plan Fiduciary" (RPF) **by July 1, 2012.** There are a host of items that need to be disclosed (see Fact Sheet updated for the Final Regulation on Pg. 3 of this newsletter). If the CSP fails to provide the RPF with the disclosures on fees and services, the RPF must send a letter within 30 days to the CSP demanding the disclosures. If the RPF does not receive the disclosures within within 90 days, the RPF **must terminate the services of the CSP for future services** or the RPFwill commit a Prohibited Transaction (this is where the **Hard Concrete for Plan Sponsors** portion of the title comes in and it is a new element in the Final regulation).

The CSP will commit his/her own prohibited transaction and will have to repay all the compensation received back to the Plan (even if the compensation was not paid by the plan) **plus** a 15% excise tax.

Final ERISA **404a-5** Regulations for **participant directed plans** were not changed; but they did get a delayed effective date of August 30, 2012 for the: "First Annual Notice" and November 15, 2012 for the "First Quarterly Benefit Statement" following the Quarter ending on September 30, 2012.

The Annual Disclosure will provide among other items the expense ratios for the designated investment alternatives, disclosures of most of the requirements of ERISA 404(c), and the **types of expenses that will be applied to reduce** the accounts of the participants.

The Quarterly Disclosures will show the **actual expenses** that reduced the value of the participant's individual account.

ERISA 404(c) was modified requiring 404(c) disclosures to be embodied in the Annual 404a-5 Notice. Providing the annual notice does not however mean that the Plan is a 404(c) covered plan.

In addition the onerous **requirement** that a plan subject to the SEC rules **must provide** a prospectus to the plan participant either immediately before or immediately after the participant makes an investment in a particular fund has been replaced with the participant "**must receive** a prospectus (or similar document in for registered with the SEC)" only **upon request** of the participant.

Being 404(c) compliant relieves the plan fiduciaries from liability for the investment decisions made by the plan participants. Liability still exits for the selection of the universe of funds made available under the plan. There is a non-404(c) requirement that an SPD must make the statement that the Plan is intended to be 404(c) compliant. However **virtually all SPD's do not go on to fulfill the requirements of 404(c).**

With these changes in ERISA 404(c) we recommend that plan SPD's incorporate special language to enable the plan to be 404 (c) compliant.

<u>Some Parting Thoughts for Plan Sponsors</u>

The industry is headed toward more information for Plan Sponsors that they act on or suffer a fiduciary breach.

Know the expertise and roles of your service providers and their fiduciary status.

Select Service Providers wisely: weigh the services being provided with the cost being charged. There will be an over-reaction toward low fees; and an under-reaction on the importance of services. Don't get fooled.

Build a collaborative team among your service providers...it is much more productive.

Pay attention to the new rules…"know what you don't know" and have your advisors educate you.

If you don't get disclosures timely, pay attention to the timing rules so you don't commit a prohibited transaction.

If you have a plan that allows participants to select their own investments be sure that your plan is 404(c) compliant.

ACI can help you sort all this out under our new Fiduciary Governance Program for Plan Sponsors & Committees and our electronic Fiduciary File service to help create prudent fiduciary practices and a place to house them. ACI

Why are the new disclosure rules under ERISA Sec 408(b)(2) so important?

The required disclosures from Covered Service Providers (**CSP**) to Responsible Plan Fiduciaries (**RPF**) have been brewing since 2007. The contorted history of the "reasonable contract of arrangement" regulation is now scheduled to become effective for all services on or after **July 1, 2012**. The onus is on the CSP to provide the written disclosures. Once provided, the onus shifts to the RPF to perform the fiduciary acts of analyzing the material to make sure that the services being provided are necessary and costs are reasonable.

Failure by a CSP to make the written disclosures results in a Prohibited Transaction (PT) under the Internal Revenue Code. A PT will result in **excise taxes** and the correction of the PT by the CSP **refunding the money received** to the Plan plus earnings.

The RPF can be exempt from committing its own PT if it does not receive the disclosures as long as it follows a detailed process outlined in the regulation.

The following is a brief "fact sheet" of information that will help the RPF understand the scope of the new regulation. ACI can be helpful to RPFs in implementing processes and procedures to be compliant.

Overview of Facts

1. What are the key definitions?

- ERISA section 408(b)(2): **The law**
- The Final Regulation under ERISA section 408(b)(2): **The REG**
- Covered plan (**CP**): **Any pension plan covered under ERISA <u>other than</u> a 403(b) Plan with no employer contributions (and other exceptions), SEP IRAs and Simple IRAs**
- Covered service provider (CSP): **Defined by plan type, compensation paid and the services provided (see item 4 below which includes recordkeepers, Registered Investment Advisors (RIA), Brokers, Third Party Administrators, Consultants and Auditors)**
- Responsible Plan Fiduciary (RPF): **The "Ultimate" Fiduciary, normally the Board or Plan Committee**
- Prohibited transaction(PT): **Based on IRC section 4975**
- Direct Compensation: **Compensation paid by the plan to CSP**
- Indirect Compensation: **Compensation paid by other than the Plan or Plan Sponsor to CSP**
- Individual Account Plan: **Where participants are allowed to make investment choices**

2. What is the Regulation's Basic requirement?

- No contract or arrangement for services between a CP and a CSP (nor any extension or renewal) is reasonable within the meaning of §408(b)(2) unless certain **disclosures** are made to the **RFP**

3. How did we get here?

- ERISA prohibits a "party in interest" from providing services to a plan (defined as anyone providing services to a plan)
- The **REG** provides a **statutory exemption** from the PT rule for making reasonable arrangements for **reasonable compensation** with a party in interest
- DOL regulations explain the statutory exemption

4. Are Your Service Providers "Covered Service Providers?"

- If the service provider enters into an **arrangement involving a CP** <u>and</u>
- Reasonably expects $1,000 or more in compensation, direct or indirect <u>and</u>
- Provides services of the following types:
  - **Fiduciary or RIA** (under federal or state law), <u>or</u>
  - **Recordkeeper** or **brokerage services** to an individual account plan that permits participants to **self-direct investments, or**
  - **Other** services and receives any **indirect compensation.**
  - They are a **CSP.**

What written disclosures must you receive?

- Description of Services
- CSP status as a fiduciary or RIA (ERISA 3(21): shared discretion with RPF) and (ERISA 3(38): sole discretion)
- Compensation to be received: Direct and Indirect, including payer of any indirect compensation
- Recordkeeping services: Describe all direct and indirect compensation; if offset or rebated, reasonable good faith estimate of the services
- Manner in which compensation will be received: Billed to the CP or directly deducted from participants' accounts (Ties into ERISA 404a-5 final regulation)
- Describe the "arrangement" between the payer of indirect compensation and the CSP
- When services are provided as a fiduciary to an investment contract, product or entity that holds plan assets, certain specific compensation information must be provided such as sales loads, surrender charges, operating expenses and wrap fees
- When services provided are recordkeeping or brokerage services, certain specific compensation information with respect to each designated investment alternative must be provided
- Disclosures can be made electronically. RPF may inquire if they can receive a "guide" to help expedite their review of the material

6. **What are the PT Exemption Requirements for RPF if CSP fails to provide RPF with proper disclosures?**

- RPF Reasonably believed that CSP complied with the REG
- Upon discovery failure, RPF makes written request for disclosure to CSP
- If CSP fails to comply within 90 days, RPF must notify DOL (The Tattle Rule)
- RPF must decide whether to terminate or continue arrangement after discovery of failure
- RPF must evaluate the CSP's
  - Nature of failure
  - Availability, qualifications and cost of replacement service providers
  - CSP's response to notification of failure

- If after the 90 day exemption period lapses the CSP has still not provided the required disclosures, the **RPF must terminate the CSP as to future work**
- If the RPF fails to follow the exemption the RPF commits a Prohibited Transaction.

The end game for all these rules is to give information to RPFs that help them make better decisions for their Plans and hopefully provide a better retirement for their plan participants. ACI

ACI Offers New Fiduciary Solutions

In the last two issues of Action Items we have written about ERISA 408(b)(2) in conjunction with other new regulations. Failure to develop prudent processes in response to these new rules will submit business leaders to personal liability for legal and financial penalties.

Our Fiduciary Governance Program is designed to help your team become compliant with both your current responsibilities and with the immediate disclosure deadline of July 1, 2012. These current regulatory changes should be addressed by your Board, CEO, CFO and COO. Then an initiative should be launched to update the governing processes used by your executives, retirement plan committee, HR/benefits team, and external service providers. Since your Board will be receiving disclosures no later than **July 1, 2012 it is an imperative that your new governance procedures are in place by then.**

ACI's comprehensive Fiduciary Governance Program has two parts:

- Our ***Fiduciary Governance Program***
  is designed to help clients update and maintain their governance processes.

  We educate the Board on practices to mitigate business risk,
  recommend steps to optimize plan oversight, and
  implement the processes and documentation required to be compliant.

- Our ***Fiduciary File***
  is a new electronic record-keeping service that simplifies and centralizes
  the new documentation you need to comply—and all documentation required
  for ongoing compliance.

If you haven't started your compliance initiative, please contact Sabrina Fendley at to schedule a complimentary overview of our Fiduciary Governance Program.

Effectively Recognizing and Managing Costs in the New World of Employee Benefits

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"This CFO Roundtable really opened my eyes to the fact that I am going to need to become more involved in our employee benefits program." This comment, made by one of the members of Burnham Benefits' CFO Roundtable held in February 2012, was generated as a result of listening to a presentation about the anticipated costs of medical insurance affecting employers between 2012 – 2018. Although this CFO was speaking about his respective organization, it is fair to say that many members of senior management will be similarly affected as the impact of continual rising healthcare costs and effects of healthcare reform start to take a greater financial toll on organizations.

Employer-Sponsored Benefits Program Cost Challenges and Recommendations Between 2012 - 2018

1 - Effectively Minimize the Effects of New Types of Medical Insurance Costs

Historically, determining the annual budget for an employer's benefits program was rather straightforward: strategically negotiate the results of the annual renewal (annual trend + claims experience) with the carrier. In 2010, the Patient Protection and Affordable Care Act (PPACA) introduced greater complexities and new costs to this process. Not only did employers have to determine which healthcare provisions applied to them, but the respective costs associated with each. Some of the initial provisions resulting in significant cost impacts were dependent coverage to age 26, free preventive care for adults and children, and the elimination of lifetime limits and restriction of annual limits on essential benefits. With 2010 being categorized as the tip of the iceberg given the fact that the healthcare reform provision effective dates continue until 2018, employers will need to be in a position to effectively manage this process for the next few years.

Recommendation:

As employers continue to feel the direct cost impact as more healthcare reform provisions become effective over the next six years, it will be in your best interests to develop a benefits program cost model for your organization projecting the anticipated cost effects of medical insurance over this period. This will not only include forecasting annual renewal increases (annual trend + claims experience) but the expected financial impact of the different healthcare reform provisions becoming effective each year. By doing so, not only will you minimize any annual cost surprises but also allow ample time to consider ways to minimize the impact of such costs.

2 - Prepare for the New Service Costs Associated with Offering Employer-Sponsored Medical Insurance

Broker/consultants have and will continue to play a significant role in supporting client employer health and welfare plans. However, the requirements associated with introducing many healthcare reform provisions will demand greater expertise in niche areas. These areas include: actuarial analysis, communications consulting, program testing, plan reporting, and compliance.

Recommendation:

By researching the healthcare reform provisions that will affect your organization and understanding the requirements associated with each, you will gain a good understanding of the resources necessary to assist, including internal staff, your health and welfare broker/consultant, and outsourcing. Through this analysis, you can then start considering and calculating the respective costs.

3 - Create Internal Efficiencies Given Greater Involvement from Internal Functional Areas
It is safe to say that a human resources or benefits department will play the prime role in introducing all of these new healthcare reform requirements, right? No, not when it comes to the "new world of employee benefits." When reviewing the respective provisions, many of them will require some level of assistance from other internal functional areas, including the payroll, information technology (IT), HRIS, finance, accounting, legal, and communications departments. As such, these new soft costs could have a significant impact on your organization and should be determined sooner than later.

Recommendation:
Between now and 2018, 1) determine the healthcare reform provisions that will affect your organization in each year, 2) consider the internal resources that will be necessary to assist in implementing each provision, including their time commitments, and 3) draft a report with such information for senior management. This will allow senior management to appropriately budget such requirements around non-HR staff's time and own departmental responsibilities for the year.

4 - Prepare for the Costs Associated with the New Medical Eligibility Rules
Healthcare reform not only introduces new employer-sponsored health plan requirements but also new plan eligibility rules, including how such plans need to be offered to employees. Some examples include a 30 hours/week benefits eligibility threshold, automatic enrollment, and maximum 90 day benefits waiting period. From a cost perspective, these new requirements could have a significant cost impact on employers given the fact that many employers have typically used their plan eligibility rules to minimize exposure to plan costs.

Recommendation
Determine which of these eligibility-type provisions affect your benefits program and when they become effective. Then, develop a financial model allowing you to anticipate the new costs stemming from the different impacts, including non-benefits eligible employees now becoming eligible for insurance and/or employees becoming eligible for benefits earlier given the reduced waiting period. Through an analysis of such model, you can develop solutions to minimize such cost impacts.

5 - Understand the True Cost Implications of "Playing" (Offering Medical Insurance) vs. "Paying" (Not Offering Medical Insurance)
2014 is the first year that applicable large employers (50+ full-time and full-time equivalent employees) will make the decision to continue offering medical insurance or else pay a financial penalty. At initial glance from a financial standpoint, it looks like the cost to not offer insurance will cost less than continuing to offer insurance ($2,000 times each FT employee to not offer insurance vs. the current cost of offering insurance). However, for most employers, the pendulum will actually swing the other way. This is because things like the corporate tax deduction opportunity (on the "play" side) and employee salary gross up (on the "pay" side) are not being considered in the initial analysis.

Recommendation:
Because there is always at least one stakeholder that is going to question the financial reasonableness of continuing to provide employer-sponsored health insurance, you should develop a "play or pay" financial model, incorporating all of the true impacts to the plan by "playing" vs. "paying." This will provide the backbone for your financial discussion with senior management and stakeholders should one come up. Be aware there will generally be complexities with building this type of model (medical insurance plan cost projections, actuarial modeling, tax considerations, etc.) so you may want to use an external consultant.

6 - Avoid Medical Insurance Plan Penalties by Ensuring "Plan Affordability"
An applicable large employer that chooses to offer medical insurance in 2014 and beyond may think they are off the hook in terms of "play or pay" penalties but they may not be – their medical insurance plan must be deemed affordable in order to avoid a "$3,000/year per affected employee" penalty. The determination of "plan affordability" includes analyzing the medical insurance plan design, including ensuring minimum essential benefits as well as satisfying the 60% actuarial rule and 9.5% test.

Recommendation:
From a planning and budgeting standpoint, 2014 is right around the corner. As such, it will be in your best interests to apply the "plan affordability" test requirements to your plan sooner than later to see if any of your employees will be negatively affected. If yes, you will want to research different ways to make your plan "affordable" and apply the respective solution/s before 2014

Next Steps
As evidenced through these six major cost challenges facing employers over the next few years, the organizational responsibilities and costs with offering employer-sponsored health insurance will increase significantly. Because every employer will be affected differently, it will be in your best interest to start your internal planning and strategizing sessions sooner than later or else you will be unpleasantly surprised by a cost impact like never seen before. ACI

The 2012 Los Angeles Benefits Conference Recap

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The 2012 edition of the Los Angeles Benefits Conference (LABC) was held at the JW Marriott, LA Live on January 11-13. Co-founded by our very own Pat Byrnes in 1992, LABC offers a unique opportunity for practitioners to discuss employee benefit issues with representatives of the Internal Revenue Service (IRS) and Department of Labor (DOL). The event is co-sponsored by the IRS, the American Society of Pension Professionals and Actuaries (ASPPA), National Institute of Pension Administrators (NIPA) and the Western Pension & Benefits Conference (WPBC) and was attended by over 175 members of the pension industry. The conference format is unique in that many of the sessions are led by members of the private pension industry in conjunction with representatives of the various government agencies, allowing open discussion between the two sides with regard to real-world situations that come up in practice. The conference is always a learning experience and while many of the things we learned were highly technical in nature, we would like to share a few things we learned that we feel may affect your business.

DOL Regulations

With so much recent focus on the new 408(b)(2) regulations and other fiduciary topics, it is no surprise that much of the conference was spent discussing these items. The conference was held prior to the release of the final regulations, so much of what was said was speculation at the time; however, the DOL did indicate that it is training its employees for investigations on ERISA 408(b)(2) matters. The primary focus of their investigations will be on fiduciary breaches and prohibitive transactions as well as reviewing indirect compensation and the services being provided for that indirect compensation.

Phyllis Borzi, the Assistant Secretary for Employee Benefits Security of the DOL, was the keynote speaker on the second day of the conference and she spoke on items that the DOL is currently focusing on. She stated that the DOL's concentration is on small to medium size employers, noting that large employers generally understand the rules and can comply with them. She stressed that their emphasis is on transparency and accountability of these employers. In addition, she discussed the DOL's future concentration on the definition of fiduciary. Phyllis feels passionate that IRAs should be included in the final definition of a fiduciary but she has received enormous opposition. While she detailed her view that individualized advice should be in the best interest of the client, rather than improving the revenue stream for the financial advisor, she did also stress that the DOL is not intending to put brokers or advisors out of business rather to have them operate in a manner that will improve advice at all levels.

Plan Documents

Recently, the IRS has implemented several changes to the plan document restatement process. Effective May 1, 2012, the IRS will no longer accept submissions for a favorable determination letter for plans that are on a preapproved form and have not made significant changes to that form. In the past, many plans would submit for a favorable determination letter in order to achieve an additional level of comfort. A benefit to having a favorable determination letter was that, if audited, the auditor would only review the plan document and amendments from the time of the most recent letter forward. The IRS has indicated that upon audit, they will only review documents going back to the most recent restatement, unless there is significant reason to go further back.

Another change in the submission process is the elimination of the option to request a determination on the plan's compliance with coverage or nondiscrimination options. Many plans would submit (for an additional fee) a demonstration of nondiscrimination testing based on actual plan data and the favorable determination letter would include language stating that the plan was in compliance. This is no longer an option moving forward and any future favorable determination letters issued may not be relied upon for this requirement.

Odds and Ends

During the first General Session of the conference, Brian Graff, the CEO of ASPPA, discussed several myths about qualified plans. Two in particular have been of great focus for ASPPA recently. First, the idea that plan contributions are lost tax revenue. Brian pointed out that in reality these contributions are merely deferred taxation rather than lost revenue. An ASPPA commissioned study was presented that illustrated a more realistic view taking into account the present value of future taxation of retirement plan distributions and showed that the true cost of retirement plan taxation incentives is less than one-third of the amount estimated by the Joint Committee on Taxation.

Next, Brian discussed the commonly quoted statistic that less than half of American workers are covered by a plan. This statistic does not paint the whole picture, as it is based on all workers, including seasonal and part-time workers. In truth, if you include government employees, 85% of full time workers have access to a retirement plan. ASPPA is making a considerable effort to dispel this myth and an article in the Winter 2011 edition of Plan Consultant magazine (ASPPA's quarterly publication) expands on this topic.

Another item of interest is the anticipated launch of a delinquent filer program for Form 5500 EZ filers. Currently, the Form 5500 Delinquent Filer Voluntary Compliance Program (DFVCP) is only available for plans that governed by the DOL, meaning owner-only EZ filers were not eligible. At the conference it was announced that the IRS is launching a pilot project expected to last for one year that will allow EZ filers to voluntarily submit their late filings and avoid associated penalties. During the first year, there will be no filing fee or sanctions, and after a year, the program will be reevaluated and the IRS will determine whether changes should be made to the program for future years.

As stated earlier, these are only a few of the items discussed at LABC. There were several other sessions covering items like pension deduction issues, current issues involving cash balance plans, and recent ERISA litigation. If you have any questions about these topics please contact Pat Byrnes, Justin Bonestroo, or your plan administrator.

ACI IN THE NEWS

Our Clients' Survey Feedback

We recently asked our clients to give us their feedback on how we were doing as a firm. We got some great responses! We value our clients' feedback and are using these responses to strengthen our relationship and identify what we are doing well and what we can do better.

Here are some of the results:

- 98% of our clients felt satisfied with their last experience with ACI and felt we kept them informed of changes in the industry

- 100% felt ACI was meeting their expectations, found it easy to do business with us and felt they could easily get answers to any questions they had

- We also found that our clients are looking for other seminar topics to learn about. Find out more about the topics in "Presentations at a glance."

When we asked what they like most about our service we got an overwhelming common response: their case manager! Here are some other responses:

- Personal Touch and Attention
- Responsiveness
- Expertise & Conservativeness
- The level of professionalism in service
- Knowing they have someone to answer their questions at any time

With results like this we couldn't help but brag a little bit. We want to thank everyone who took the time to fill out our survey and also congratulate the winner of the $100 Visa card Diane Montgomery from Innovative Solutions Insurance Services.

"The regulations surrounding saving your own money are depressing at best. I am better off not having to submerge myself in that compounding insanity. I feel like you have things covered" ~ ACI Client

ACI Internship Program expanding

We are continuing our internship program to help shape future industry greats. We have now expanded our program to not just include those interested in becoming Actuaries but also include other departments such as accounting, sales & marketing and business administration.

For more information on being an intern at ACI you can contact Yariel Chiong at Yariel.Chiong@acibenefits.com

ACI is on You Tube

In our continued effort to provide our clients and advisors with up-to-the-minute industry news we have recently launched our You Tube Channel. Our debut video is on the Final 408(b)(2) Regulation presented by Pat Byrnes, President & Founder of ACI. Find the video on You Tube by searching keywords 408 (b)(2) or Actuarial Consultants, Inc.

Become a subscriber to our channel and don't forget to also follow us on Linkedin, Facebook and Twitter. We look forward to connecting with you!

Presentations at a glance

In response to our recent client survey we are currently working on 2 new seminar topics. The two most popular topics selected by our clients were:

- Defined Benefit Plans and where they fit in

- Fiduciary Process & Liability Abatement

More details on these new seminars will be released soon!

If you would be interested in having Pat Byrnes speak at a function or would like to learn more about one of the presentations please contact: Yariel.Chiong@acibenefits.com

ACI Client Education Seminars

Basic Training Seminars:

The *Introduction to 401(k) Plan Operation* is an educational presentation that covers items such as non discrimination testing, employee deferrals and employer contributions, loans and distributions and payroll issues.

Understanding Annual Plan Administration was added last year to help members of your staff understand the process of plan administration in general. This seminar will cover issues such as employee communication, distribution requirements, tax reporting (945, DE6, DE7 & 1096), year-end data packages, setting up timelines and expectations and changes in company structure.

The seminars will briefly cover how your plan is affected by the Pension Protection Act of 2006 (PPA06).

The seminars are open to anyone who would like a better understanding of their plan(s). The seminars will be held at our Torrance location. There is a $25 fee for each seminar. **This fee is waived for all ACI clients**. SEATING IS EXTREMELY LIMITED.

You can contact Yariel Chiong, Marketing Manager, to reserve a seat at yariel.chiong@acibenefits.com or (310) 212-2600, ext. 204. $25 fee must be received prior to seminar date in order to confirm your reservation.

Plan Administration & 401(k) Basic Training Seminars

Tuesday	May 8
Wednesday	May 16
Tuesday	August 7
Wednesday	August 15
Tuesday	November 7

Plan Administration Seminar is from 9 AM to 12 PM
401(k) Basic Training Seminar is form 12 PM to 4 PM

New Presentations are also on the way for:

- Defined Benefit Plans and where they fit in
- Fiduciary Process & Liability Abatement

Dates and times TBD

Have an Idea for an Article?

Action Items is provided to our clients and their advisors with articles that address relevant, timely issues. If you have a particular topic that you would like us to address, a question you would like answered, or if you would like to submit an article for publication, please let us know. We welcome your feedback and input.