PENSION STRATEGIES
QUALIFIED PLAN DESIGN & ADMINISTRATION

Strategic Update: Ideas, news and tips from Pension Strategies
December 2015

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Payroll and TPA Integration Strategies

Consolidation trends in the financial industry have started to position payroll companies as third-party administrators (TPA). Because of the extremely technical reporting requirements and compliance rules regarding qualified plans, most payroll companies aren't qualified or prepared to act as TPAs. Mismanaged plans or reporting not in compliance with federal regulations can be extremely damaging to plan sponsors.

However, the idea of consolidation of services and ease of use for our clients is extremely important to us. Pension Strategies continues to collaborate with the leading Payroll and Human Resources providers to make processes seamless and simplified. These partnerships will save clients extra steps, streamline workload and ensure accuracy by combining the provider services clients already have in place.

We can work directly with current payroll and human resources providers or we can recommend a provider we work with regularly. By integrating payroll, human resources and retirement plan administration you'll see immediate benefits including:

- Enhanced data integration and collection services.
- Automation of the retirement plan contribution processes.
- Simplified data collection processes.
- Streamlined plan administration by eliminating manual steps.
- Reduction in data entry errors.
- Integration opportunities between payroll and investment company platforms.

Pension Strategies is available to review integration strategies with payroll providers throughout the industry. We receive no commissions or additional fees from the payroll companies, so we are unbiased in helping you choose the best resources for you. Contact us to explore opportunities that integration can provide.

Alert: Watch out for RMDs

Although qualified retirement plans provide excellent tax deferral strategies for taxpayers, the IRS requires certain individuals to take taxable Required Minimum Distributions (RMDs) annually starting at age 70 ½ or the year the individual retires.

However, if the individual is a 5% owner of the company sponsoring the qualified plan, the individual must start taking

RMDs at age 70 ½, regardless of whether the individual is retired. Failure to receive a timely RMD from the qualified plan could result in a 50% penalty by the IRS. In most cases, the RMD must be taken by December 31st.

Upcoming Deadlines

December 31, 2015

- All employee 401(k) plan deferrals must be funded
- New retirement plans for 2015 must be adopted and signed

Pension Strategies News

As we have done in prior years, Pension Strategies will remember our wonderful business partners and clients by contributing to Saint Mary's Food Bank instead of sending out cards or holiday gifts.

Learn more about Pension Strategies

Please let us know if you would like us to address any topics in upcoming issues of Strategic Update. We're here to be your best resource in the Retirement Planning industry.

Sincerely,
Jack Lawless, CPA, APM
Pam Johnson, QPA, CPC
Jill Hastings, JD
David Schattenberg, APA, Managing Director
Mallory Young, Senior Consultant
And the entire Pension Strategies team

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