



PENSION STRATEGIES

QUALIFIED PLAN DESIGN & ADMINISTRATION

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Upcoming Deadlines

December 1st
Safe Harbor Notices for 2013 must be distributed to participants

Good News!
Defined Benefit Plans just got more flexible. A required IRS amendment was just announced and is required to be completed before the end of the year. Watch your mailbox for the new amendment and for more information on how these changes can help your plan.



Strategic Update

Ideas, news and tips from Pension Strategies

November 2012

Time to Review ERISA Bonds

In 1974 the Employee Retirement Income Security Act was enacted to establish minimum standards for plan administrators and investment advisers to protect employee pension and health plans. ERISA Bonds are required for all plans except those whose only participants are owners, such as sole proprietors with no employees, a group of partners with no employees or a personal corporation with the owner as the only employee.

Requirements for ERISA bonding include:

- Amount is at least 10% of the value of plan assets at the beginning of the year.
- Minimum of \$ 10,000 and a maximum of a \$ 500,000 bond.
- If all of the plan assets are with a bank or brokerage account or an investment company that values the assets daily, then that is all that is required.
- If the plan has "non-qualifying assets" then bonding must be 100% of their value.

The bonding is reported on the Form 5500 each year and can be an audit target if the bond is not sufficient. If you haven't reviewed your bond recently, it is time for a check-up. Pension Strategies can assist you with bond review and compliance. Just give us a call for more information.

The Department of Labor has a bulletin about general fiduciary duties:
<http://www.dol.gov/ebsa/publications/fiduciaryresponsibility.html>

Alert: New IRS Limits Announced

On October 18th The Internal Revenue Service announced cost-of-living adjustments for 2013. Many of the pension plan limitations will change for 2013.



Here are some highlights:

- 401(k) Employee Contributions - \$17,500

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- Catch Up – \$5,500
- Defined Contribution Limit (415) – \$51,000
- Social Security Taxable Wage Base – \$113,700
- Defined Benefit Maximum Annual Benefit (415) – \$205,000

For more information contact Pension Strategies or check this link on the IRS web site:

<http://www.irs.gov/uac/2013-Pension-Plan-Limitations>

Pension Strategies News



In lieu of exchanging holiday cards, and gifts, Pension Strategies is making a donation to St. Mary's Food Bank. We have made this annual donation in honor of our clients, employees and friends for several years and we are committed to making a difference in our community.

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

Maurice D. Gordon, EA, MS, PA

And the entire Pension Strategies team