



PENSION STRATEGIES

QUALIFIED PLAN DESIGN & ADMINISTRATION

In This Issue

[Tax Credit](#)

[Year End Data](#)

[News from Pension Strategies](#)

Strategic Update

Ideas, news and tips from Pension Strategies

January 2013



Upcoming Deadlines

January 31, 2013
Forms 1099-Rs must be issued to participants who received plan distributions in 2012

March 15, 2013
Amendment Deadline for Defined Benefit Plans - Don't lose your plan flexibly.

March 15, 2013
Deadline for refunds in 401(k) ADP & ACP Discrimination Testing (please submit your data to us by 2/15 so we have time to test your plan).

Adopt a Plan and Earn a Tax Credit

Adopting a new qualified plan may earn you a \$ 500 tax credit. As part of the general business credit, you may be able to claim a tax credit for part of the ordinary and necessary costs of starting a qualified plan. The credit equals 50% of the cost to set up and administer the plan and educate employees about the plan, up to a maximum of \$ 500 per year for each of the first three years of the plan. You can choose to start claiming the credit in the year before the plan became effective. Here are some general guidelines for claiming the credit:

- You must have had 100 or fewer employees who received at least \$ 5,000 in compensation from you for the preceding year.
- At least one participant must be a non-highly compensated employee.
- The employees generally cannot be the same employees for whom contributions were made in the three year period before the first year of the credit.

Please consult with your CPA to make sure you are taking advantage of the credit. Your CPA can use Form 8881, Credit for Small Employer Pension Plan Startup Costs. Contact Pension Strategies if you would like additional information.

Alert: Year End Data Due

Our year end data request packets have been sent to clients this week. In many instances, the IRS deadline is March 15, 2013 to amend your plan and impact 2012 plan operations.



This ten week window of opportunity preserves tax options for plan holders, but it's a short window. Please send your data to Pension Strategies as soon as possible for maximum flexibility.



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Pension Strategies News



Pension Strategies adopted a family through Labors Community Service Agency. With the help of our generous employees and partners, we were able to fulfill Christmas wishes for a family of five.

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
And the entire Pension Strategies team