



PENSION STRATEGIES

QUALIFIED PLAN DESIGN & ADMINISTRATION

Upcoming Deadlines

September 15, 2013

Funding deadline for calendar year plans

October 15, 2013 Extended filing deadline for calendar year plans



More About Us

Strategic Update

Ideas, news and tips from Pension Strategies

August 2013

Plan Design Matters

At a recent forum, titled "Decisions, Decisions: Choices That Affect Retirement Income Adequacy," national experts on U.S. retirement policy offered suggestions on how to help plans and participants optimize choices. Here are some highlights:

- Roughly a quarter of Baby Boomers and Gen-Xers, who would have had adequate retirement income under historical averages, would end up running short of money in retirement if today's rates are assumed to be permanent.
- The economic environment has had an impact on employer contributions to 401(k) plans. Some plan sponsors suspended matching contributions during the recent recession, but many have restored them. A few employers have moved to less frequent matching cycles (such as annually), but the vast majority provide a 401(k) match coincident with their payroll cycle.
- The level of the match seems to have an impact on contribution levels in voluntary-enrollment 401(k) plans, less so with automatic enrollment plan designs.
- The vast majority of defined benefit (pension) plan participants who were not forced to take an annuity chose to take a lump-sum distribution.

Plan design matters, both in term of the savings decisions participants make, and the decisions they make post-retirement. Carefully consider how your plan distribution options affect employee retirement readiness and educate employees on adequate savings levels. By reviewing your plan design and matching levels periodically you and your plan participants will be ready for retirement.

Alert: Preserving Retirement Plans



In the May issue of our Strategic Update newsletter, we notified you

about the American Society of Pension Professionals & Actuaries' (ASPPA) charge to educate members of Congress about the importance of preserving incentives for retirement plans, including 401(k) plans.

Just last month, top lawmakers on the Senate Finance Committee offered a tax reform proposal that would eliminate tax deferral incentives for retirement savings plans.

More than 60 million Americans workers are covered by a 401(k) Plan or similar retirement plan. Please join us in educating Congress about the importance of preserving tax incentives for retirement plans – go to SaveMy401K.com and use the automated system to send an e-mail to individual members of Congress. It only takes a minute to let your voice be heard.



Pension Strategies News

Welcome Zach Dennis to the Pension Strategies team. As a recent Mathematics and Actuarial Science graduate from the University of Texas, Zach is a natural complement to our defined benefit team. Zach's hobbies include reading, watching ballet, and enjoying the classical arts.

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, Senior Consultant

Mallory Young, Senior Consultant

And the entire Pension Strategies team