



## PENSION STRATEGIES

QUALIFIED PLAN DESIGN & ADMINISTRATION



### Upcoming Deadlines

**December 31, 2013**

Deadline to implement a new retirement plan. Year end tax planning now can maximize your tax savings through pension contributions.

**January 31, 2014**

Forms 1099-Rs must be issued to participants who received plan distributions in 2013.



### More About Us

## Strategic Update

*Ideas, news and tips from Pension Strategies*



December 2013

### Non-Conforming Plan Assets

Most retirement plan sponsors invest assets in bank accounts and publically traded securities, bonds, mutual funds, etc. These are called conforming assets because they are cash and readily marketable. However, qualified retirement plans are not limited to these investments.

Plans may also invest in non-conforming assets. These are generally passive investments with no established regulated trading market. Investments include land, trust deeds, partnership shares, closely held corporation stock, etc.

Non-conforming assets are often tempting investments for a retirement plan. The plan investment committee may feel it has more investment knowledge and control over the asset and may feel the prospect of future gains is greater. This may be true, but there are also compliance issues to consider:

- All retirement plan assets must be carried in the plan at their current market value independently determined at least annually.
- When there are non-owner employee participants in the plan, they must be give an equal opportunity to make the same investment with their accounts and a 100% of value bond is required for the non-conforming assets.
- Titling, borrowing on real estate, personal guarantees of loans by trustees, liquidity, potential Unrelated Business Taxable Income to the plan all may create compliance issues that must be properly handled by the plan to avoid compliance failures.

The easiest way to keep these investments in compliance is to utilize a trust company that specializes in custodianship over non-conforming assets. Although Pension Strategies does not provide plan investment products or consult on specific investments we can help you with compliance questions related to your investment choices. If you are thinking of making an investment in a non-conforming asset give us a call.

## Alerts

- Clients who file Form 5500-EZ or Form 5500-SF, may have received a letter from the IRS this month about filing requirements for the December 31, 2013 plan



year. This is a reminder to file your 5500 Forms, which are due July 31, 2014. Please feel free to give us a call if you have any questions regarding this letter.

- December year-end Data Requests will be going out the middle of this month.
- In many instances, March 15, 2014 is the IRS deadline to amend your plan and impact 2013 plan operations. Please send your data request to Pension Strategies by February 3, 2014, in order to provide you the opportunity for maximum plan flexibility.

## Pension Strategies News: Welcome Silas!



We are pleased to introduce the newest Pension Strategies family member: Silas James Fuss. Born November 6, 2013, he is the son of our very own Joseph P. Fuss, EA. Congratulations Joe and Family!

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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***