



**PENSION STRATEGIES**

*QUALIFIED PLAN DESIGN & ADMINISTRATION*

## Strategic Update

*Ideas, news and tips from Pension Strategies*

March 2014

### Don't Catch the Complacency Bug

2013 was a banner year for Defined Benefit Plans. High investment performance, a modest rise in interest rates and the ability for sponsors to fund at higher levels created a significant increase in the funded status of most Defined Benefit plans. While this is good news in the pension world, it has sparked conversation about the risks of Defined Benefit Plan sponsors becoming complacent with their pensions.



Whether your defined benefit plan is frozen or active, 2014 is an opportune time to evaluate the status of your defined benefit plan. One key strategy we recommend to help plan sponsors manage their pension risk is to review the design of the plan. Now is a great time to assess the overall goals of your company's retirement plan and have a third party administrator evaluate the plan design to help you achieve those goals.

Another strategy to manage the risk in a Defined Benefit Plan includes assessing asset allocations with your advisor. Make sure there is good communication between the investment advisor and actuary as asset gains and losses play a significant role in calculating the allowable funding range for your plan.

Analyzing and incorporating changes to a plan now could help reduce future unwanted risk. Many of our clients have already had their plans evaluated this year. Contact Pension Strategies today to get a free analysis of your existing Defined Benefit Plan.

#### UPCOMING DEADLINES

**March 15th, 2014**

Correction of failed

#### Defined Contribution Plan Restatements

*It's time to amend your plan again*

About every five years, the IRS requires plans to be amended and restated to include all of the tax law changes occurring since the last restatement period. There are separate restatement periods for Defined

ADP & ACP tests  
Corporate tax return  
filing or extension  
deadline

Deadline for adopting  
2013 amendments  
for DB plans

Extended due date of  
Forms 5500s for  
5/31/2013 plan  
year ends

**March 31, 2014**

DB Plan deadline for  
2014 AFTAP  
(Adjusted Funding  
Target Attainment  
Percentage)  
certifications.

Please send your  
completed Data  
Request so we can  
prepare this for you.

### **About Pension Strategies**

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Benefit Plans and Defined Contribution Plans (401(k) and Profit Sharing).

Starting this summer, the IRS will release more information regarding the upcoming restatements for defined contribution plans. This restatement is referred to as "PPA" (the Pension Protection Act). As we gear up for this program, you will hear much more about the details of PPA and what it means to you and your plan.

## **Pension Strategies News**

*Congratulations to Brian Wohrle*



Brian Wohrle has just completed the requirements to obtain his Certified Pension Consultant (CPC) designation. The CPC designation is awarded by the board of directors for ASPPA to individuals who demonstrate competence in various aspects of pension and related employee benefits consulting.

Both defined benefit and defined contribution expertise is required, as well as a wide variety of other pension design techniques. The designation is awarded after successful completion of eight exams. Brian is a key member of the Pension Strategies team and we all congratulate Brian on this rigorous accomplishment.

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***