



# PENSION STRATEGIES

QUALIFIED PLAN DESIGN & ADMINISTRATION

**Strategic Update: Ideas, news and tips from Pension Strategies**  
October 2016

## In this issue:

1. [Forgotten Beneficiary Designation Form](#)
2. [Go Millennials!](#)
3. [Upcoming Deadlines](#)



## The Sad Story of a Forgotten Beneficiary Designation Form

All plan participants should have a beneficiary designation form on file for their retirement accounts. If you don't remember if you have one - check now! Your company should keep them on file with your plan records.

A client recently passed away with no beneficiary form. He was divorced and had a substantial account balance. Instead of his children getting his retirement assets as he intended, they went to his estate to pay off creditors of his business. If he had filled out the form, more than a million dollars would have gone to his young children.

Don't make this mistake. Make sure your form is completed and signed. When other personal documents are updated, such as your will, your plan's beneficiary designation form should also be updated. In addition, anytime a life change occurs the beneficiary form should be reviewed. Some specific instances include:

- Divorce/Remarriage - If the beneficiary form on file hasn't been updated, an ex-spouse would be entitled to receive retirement plan benefits upon death.
- Addition to the family - If children are named as contingent beneficiaries and another child is born, the youngest child should be added to the form.
- Charity - Sometimes people designate a charity as a beneficiary. If the form was filed upon plan inception many years ago, the charity may no longer exist or the plan holder's priorities may have changed.
- Job change - A change of job or retirement would require an update to the form, as these forms don't carry over when a retirement account is rolled over from one plan to another plan or to an IRA.

It is easy and fast to update beneficiary designation forms and could save

loved ones a lot of trouble and money in the future. Pension Strategies can direct you to the right place to find new forms.

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## **Go Millennials!**

### ***An Inspiration for Retirement Readiness***

Did you know seventy percent of Millennials are already saving for retirement and started saving at the unprecedented young age of 22 (median)? The Millennial Generation is setting an example for implementing retirement savings. Here are some other examples of how this young generation is setting the bar:

- Among Millennials who participate in a 401(k) or similar plan and are offered a company match, their contribution rate is 10 percent (median) of annual pay.
- Three out of four (76 percent) are discussing saving, investing, and planning for retirement with family and friends. Eighteen percent of Millennials "frequently" talk about it.
- Three out of four (76 percent) say retirement benefits offered by a prospective employer will be a major factor in their decision on whether to accept a future job offer.
- Despite the confidence-shaking events of the Great Recession, Millennials' household retirement savings dramatically increased from \$9,000 in 2007 to \$32,000 in 2014 (estimated medians).

For more of these fascinating statistics, check out the full article: [15 Facts About Millennials™ Retirement Readiness and 7 Steps for Long-Term Success](#)  
*Posted by Terry Fay in Personal Finance.*

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## **Upcoming Deadlines**

**October 17, 2016**

Form 5500 filing deadline for calendar year plans.

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Learn more about Pension Strategies

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,  
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