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## *Farmer & Betts Newsletter – Fall 2019*

*Farmer & Betts is a fee based, third party pension administration firm. We specialize in quality plan administration with local service at a reasonable cost. We do not provide investment or insurance services.*

*Our company consistently focuses on the quality and value of our service, and we are grateful for the many Advisors and Accountants who have entrusted us with their clients*



### ■ *No Fees on Takeovers*

What do we mean by that? When a client is unhappy with the services of their existing provider(s), we want them to come to F&B. We don't penalize them for moving to us. There is NO Document fee, NO Conversion fee, NO Install fee. We are confident in our services, and clients reward us by sticking around, year after year, so we don't charge them for switching to us. 20 years as TPAs and we have never needed to charge an install fee – as long as their existing Plan (and Documents) are compliant and in good order. If we find any non-compliance issues during the installation process, we will explain what the issue is, and be happy to refer them to our Compliance Department. From there, fees are quoted, as needed.

### ■ *Mergers & Acquisitions – Not What You Think!*

If a business owner gets married a plan review might be needed. If the new spouse is a current employee of the business (or might become an employee), or if the new spouse has their own business ventures, it may drastically impact the annual compliance testing for the retirement plan. Contact F&B to discuss the possible impact to testing and see if plan changes are needed.

### ■ *Not 3(16) Again*

Nope! We do not sell 3(16) contracts. Our normal services (fees) will include maintaining a current compliant Plan Document, including both discretionary and required amendments, and periodic restatements. We prepare participant notices. We process distributions, including vesting calculations, loans, QDROs and RMDs. We perform complete thorough administration reporting for all of our clients. We even provide Top-Heavy test results for Safe Harbor Plans because Safe Harbor should be a choice, and you need to be informed if you want to consider turning it off. We include New Comparability Profit Sharing allocations for the same reason. Profit Sharing is discretionary, so let's see the numbers. We facilitate enrollment and due diligence meetings. We partner with great Recordkeepers who carry considerable responsibilities of their own. We do substantially everything most 3(16) providers charge extra for. Some will remit your deposit for you, we do not handle your money, just make sure it's there for retirement. Remember, fiduciary responsibility of the employer can never be eliminated, but we can help make sure it doesn't become a liability. That's our value.

### ■ *SECURE Act*

SECURE: Setting Every Community Up for Retirement Enhancement

The House of Representatives passed the SECURE Act on May 23, 2019 but it is not at the top of the agenda for the Senate. Therefore, as of the date of this newsletter it is not law. We are watching the bill work its way through, and researching its evolving iterations and potential impact to you. Stay tuned in to our newsletters and periodic email blog. We will report the provisions that actually matter to you, and their respective effective dates at the appropriate time.

## ■ *Loan Repayments and the TCJA of 2017*

When a terminated participant's loan becomes taxable, the TCJA allows the participant to repay the outstanding balance (usually by April 15 of the following year) into an IRA to counteract the tax impact of the loan distribution. When helping participants move their money to an IRA this option can reduce leakage of the participant's retirement assets. The retirement plan reports the loan distribution as usual, and the participant reports the repayment on their personal tax return.

## ■ *Plan Design*

Cash Balance Plans continue to gain in popularity. We are able to utilize a recent expansion to the IRS's document pre-approval system to reduce our fee by \$1,000 per plan. Advisors can lead clients into these cutting-edge plan designs. Flag any employer age 40+, who would like to contribute in excess of \$56,000 (DC Limit) and would consider at least a 5% company contribution to eligible employees. Then call us with census data to see what we can do for your client with either a Cash Balance or traditional DB/DC combo plan. For employers without Cash Balance or traditional DB plans, we are always performing a New Comparability plan analysis (incl. component testing if appropriate) to maximize contributions at \$56,000 (or \$62,000 if age 50+) a minimum overall cost to employers.

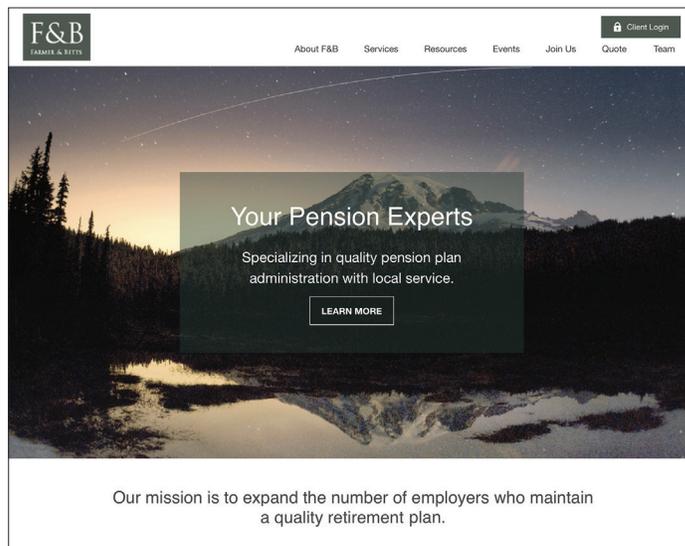
## ■ *Cyber Alert!*

The constant threat of criminal activities has not gone unnoticed. F&B is always working to improve our security as is the IRS, financial institutions, and recordkeepers. Many recordkeepers offer enhanced security measures for their online withdrawal options for distributions and loan requests. Consider using them to take advantage of the additional security layers instead of using paper forms. The reduction in paper is a bonus!

## ■ *Important Dates*

11/01/19	SIMPLE plan termination
12/01/19	Safe Harbor, 404(a)(5) participant fee disclosures and QDIA
01/31/20	1099R Distribution reporting
03/15/20	Excess deferral refunds
04/01/20	First Year Required Minimum Distribution
07/29/20	Summary of Material Modifications

*The information contained herein should not be acted upon without professional advice.*



## ■ *FBPension.com*

Please visit our website and check out new educational video content. <https://www.fbpension.com/p/resources>

There's plenty of other resources that we are very excited to share with you. Like us on Facebook!

## *Top Investment Providers*

Numerous national investment companies have chosen to include Farmer & Betts on their preferred list of service providers. We can work with any investment company.

*Examples include: American Funds – Capital Group, John Hancock, Lincoln, Mass Mutual, Nationwide, One America, Principal, Transamerica and Voya.*

## *Continuing Education Seminar*

In summary, plan design and compliance is our value.

Please attend one of our complimentary seminars to meet our Consultants and learn more about new opportunities in design and compliance. This event also serves as a great opportunity for you to personally invite your associates and business partners to attend. Our seminars include continuing education credits for CPAs, CFPs, EAs and Life Insurance.

An invitation is available at:

<http://www.fbpension.com/events>.

# FARMER & BETTS

*Presents our 28th Annual Seminar:*

## ***A Review of Qualified Retirement Plans Under Current Law***

This meeting is designed for accountants and others in the financial community interested in an update on the benefits of plans under current regulations. This may also serve as a good opportunity for you to personally invite your associates and business partners. Topics include:

### ***Retirement Plan Overview***

- Plan Types
- New Comparability
- Eligibility
- Retirement Security

### ***401(k) Profit Sharing Plans***

- Design Options
- Safe Harbor
- One Person UNI(k)
- Roth 401(k)

### ***New Laws***

- SECURE Act
- Tax Cuts & Jobs Act

### ***Defined Benefit Pension Plans***

- Cash Balance Plans
- DB/DC Combo Plans

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### ***All Meetings Include Continental Breakfast, Appetizers &/or Cocktails.***

There is no fee for this seminar which includes training materials and certificate for 2 hours continuing education credit for Insurance, CPAs and CFPs. Please indicate seminar location and return with your contact info below.

**Englewood, CO** – Thursday, Oct. 17, 2019  
1–3pm • Maggiano’s - DTC  
7401 South Clinton Street, Englewood

**Tacoma, WA** – Thursday, Oct. 24, 2019  
1–3pm • Pacific Grill Events Center  
1530 Pacific Avenue, Tacoma

**Beaverton, OR** – Thursday, Oct. 17, 2019  
1–3pm • Stockpot Broiler  
8200 SW Scholls Ferry Rd., Beaverton

**Overland Park, KS** – Wednesday, Oct. 30, 2019  
9–11am • Maggiano’s  
7025 W 135th St, Overland Park

**Tampa, FL** – Tuesday, Oct. 22, 2019  
9–11am • Maggiano’s  
203 Westshore Plaza, Tampa

**Boise, ID** – Wednesday, Oct. 30, 2019  
1–3pm • Owyhee Tavern  
1109 Main St, Boise

**Naples, FL** – Wednesday, Oct. 23, 2019  
12–2pm • Cooper’s Hawk  
11905 Tamiami Tr. N., Naples

Please indicate seminar location above, complete information and return by one of the options below.

Name(s) \_\_\_\_\_

Firm \_\_\_\_\_

Phone # \_\_\_\_\_ E-mail \_\_\_\_\_

For further information call Haylee at (888) 565-9887/(503) 885-0505

To register return by either email: [haylee.salsedo@fbpension.com](mailto:haylee.salsedo@fbpension.com) • Or by Fax: (503) 885-9101