



**PENSION
PLAN
SERVICES**
INC

New Years News

December
2011

PPS Mission: To personally and professionally engage with clients to provide services that positively impact their business and employees.

1001 Grand Avenue • West Des Moines, IA 50265 • (515) 223-0433 • Fax (515) 223-3886

A Look Ahead to 2012:

A year of change, awareness and understanding is ahead of us, in more ways than one.

Washington perspective: As our government struggles to come up with solutions, and businesses try to maintain, this election year seems to be becoming ever so important for the leadership of this country, and getting back on track for the long term future. We've seen the Super Committee fail to come up with a bi-partisan agreement and the President now forced to cut 1.2 Trillion in spending. We've heard of proposals to slash retirement plan limits in half and even eliminate the 401k as we know it. One take-away from my trip to Capitol Hill late October, is these proposals have not gathered much support. Washington does understand any proposals that in effect raise taxes is not a positive thing in an election year! It appears for the moment the emphasis remains on budget spending cuts, as opposed to increased tax legislation at least for 2012. In sum, anything that gets passed through Congress will be purely political for election purposes. The professional organizations we belong to (ASPPA and NIPA) continue to work proactively to oppose any detrimental proposals to the private retirement plan system.

Retirement plan industry: Fee disclosure legislation is upon us for 2012 in two phases. The first, Service Provider Disclosure is effective April 1, 2012 and requires service providers to disclose to employers all layers of costs, fees, revenue sharing, payments, etc. related to the retirement plan and the providers involved in servicing the plan (>\$1,000). For PPS, this means redoing our service contracts, fee schedules and billing procedures, fee addendums specific to investment platform providers, and explaining any payments we may receive from investment providers as a qualifying TPA with that vendor. Clients will see this disclosure detail in March in conjunction with our first quarter invoicing. The task for plan sponsors is to be aware of these disclosures due to them by April 1st, understand and assess reasonableness of the partners, fees and services necessary to run a qualified retirement plan.

The second phase is Participant Fee Disclosure, which requires an initial notice to participants by May 31, 2012, and quarterly disclosures starting 6/30/12, due by August 14, 2012. Participants will see changes in their quarterly statements reflecting separate line items for charges deducted from their accounts, have a notice explaining their rights, the services provided, investment expenses and returns, websites, a comparative fund chart, plus any administrative fees (i.e. for loans, distributions, recordkeeping, audit). The task for plan sponsors, along with service providers, is to prepare and educate participants of the upcoming disclosure of information they may not see or be aware of currently.

I compare this disclosure to the time the food industry was regulated to disclose calories, carbs, proteins. We are now used to seeing that information which ultimately helps us make informed decisions. The retirement plan and investment fee disclosure will have the same effect. Initially there may be shock as to the fees ("sugars") and services ("ingredients") required to maintain a healthy retirement plan, but in the end, will be useful information to educate participants, gain understanding, and make better choices.

Kristine Creighton, President

Continued...

2012 Retirement Plan Limits

Maximum Compensation Limit...	\$250,000
Maximum Elective Deferral 401(k)/403(b)/457/Roth...	\$17,000
Catch Up Contribution limit 401(k)/403(b)/457/Roth...	\$5,500
Maximum Elective Deferral SIMPLE...	\$11,500
Catch Up Contribution limit SIMPLE...	\$2,500
Highly Compensated Employee Definition...	\$115,000
Top Heavy Key Employee Officer Test...	\$165,000
Defined Contribution Annual Additions Limit...	\$50,000
Defined Benefit Annual Benefit Limit...	\$200,000
Social Security Taxable Wage Base...	\$110,100

Staff News- Congratulations!

Missy Lucas and **Kristin Hjelmeland** recently passed a 4 part exam series to receive their APA credentials as Accredited Pension Administrator from the National Institute of Pension Administrators!

Mystie Ren joins PPS as Administrative Assistant coordinating our contribution and distribution processing. We welcome her as an addition to our business family!

Chandra Weinacht graduates in February with a BA degree from AIB in Business Administration!

Heather Carpenter is expecting her first baby in February!

George Smith and **Kristine Creighton** earned the Enrolled Retirement Plan Agent (ERPA) accreditation to practice before the IRS.

REMINDERS:

- √ **Bonus Elections:** Normal deferral amounts should be deducted from bonus pay unless the employee makes a special election, or bonus compensation is specifically excluded from the plan's definition. A special bonus election form can be found at:
<http://www.pensionplanservices.com/forms.asp>
- √ **Census Information:** Calendar Plan Year end census packages will be sent the week of December 19th.
- √ **Annual Participant Statements with Beneficiaries:** A link to our website will now be included to access a beneficiary change form.
- √ **December 31:** Age 70½ Required Minimum Distribution (RMD) due to participants who turned 70½ in 2010.

"Prophet" Sharing:

"I am leaving you with a gift – peace of mind and heart. And the peace I give isn't like the peace the world gives. So don't be troubled or afraid."

John 14:27

Payroll Processing and 401(k) Plan Administration

Interested in getting away from completing that year end census package, contribution processing and streamlining your administrative work? Pension Plan Services can handle full services for your payroll. Please contact Geri Troxel for a quote and system demonstration.

Contact Information

Kristine Creighton, President

kcreighton@pensionplanservices.com

Missy Lucas	mlucas@pensionplanservices.com	Chandra Weinacht	payroll2@pensionplanservices.com
Troy Zwart	tzwart@pensionplanservices.com	Jerri Meyer	jmeyer@pensionplanservices.com
Heather Carpenter	hcarpenter@pensionplanservices.com	Peggy Miller	pmiller@pensionplanservices.com
Mystie Ren	ppsadmin@pensionplanservices.com	Kristin Hjelmeland	khjelmeland@pensionplanservices.com
George Smith	gsmith@pensionplanservices.com	Amanda Golly	agolly@pensionplanservices.com
Geri Troxel	benefitsadmin@pensionplanservices.com	Billing Inquiries:	billings@pensionplanservices.com
	Customer Service Emails:	ppservices4@pensionplanservices.com	

Thank you so much for your business! May God bless yours!