KEATING & ASSOCIATES
AN INDEPENDENT FIRM

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FINANCIAL SERVICES, INC.
Member FINRA/SIPC

News from the Pension Department

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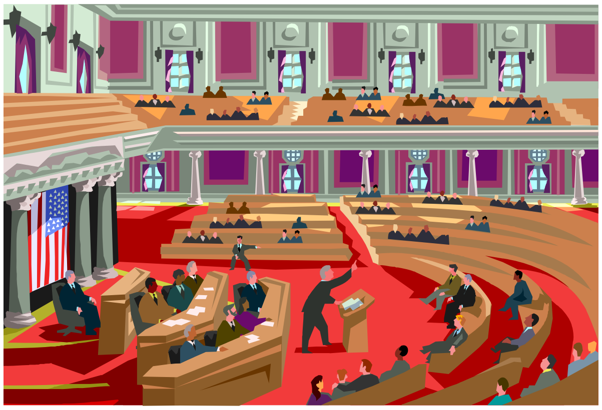

NEW Retirement Plan Requirements Coming

The Department of Labor has created two new regulations:

ERISA 408(b)(2) - requires service providers to fully disclose to the plan fiduciary information on all fees, compensation and services provided to the plan allowing the fiduciary to review the fees for reasonableness.

ERISA 404(a) - requires that the fiduciary communicate all plan fees to eligible employees, plan participants and beneficiaries with the right to direct investments.

KEATING & ASSOCIATES, INC and our FUNDING PROVIDERS are here to help you handle these upcoming regulations, with…………..…

- Easy to understand description of fees and services, payor, payee and method of payment
- Enhanced enrollment books
- Special website to disclose required information to non-participating, eligible employees
- Comparative investment charts

RETIREMENT PLAN DESIGN

This is a great time of year to think about your retirement plan design to make sure your plan design is doing what you want it to do for you and your company.

There are many plan designs to choose from to meet most any plan sponsor's criteria.

There are now three **Safe Harbor Designs** that allow ALL owners and highly compensated employees to defer the maximum with NO testing.

3% Non-elective-100% Vested Immediately
Basic Match (maximum employer match = 4% of compensation, if employee defers no less than 5%) 100% Vested Immediately
Qualified Automatic Contribution Arrangement (QACA) (maximum employer match = 3 1/2% of compensation, if employee defers no less than 6%) ***2 Year Cliff Vesting Schedule***

Cash Balance Defined Benefit Plan combined with a **401(k) Safe Harbor Defined Contribution Plan.** Both can now be based on each year's compensation, giving the owner more flexibility when looking to get more than $50,000/$55,500 into their retirement account annually.

Contact your *Financial Advisor*, to discuss any of the above options which could result in a better fit for you and your company

2012 IRS Dollar Limitations for Retirement Plans

Social Security and Medicare Tax is paid on all Pension Deferrals

401(k), 403(b), 457 and SAR-SEPS Elective Deferrals (This amount is based on a calendar year, **NOT** plan year)	**$ 17,000**
401(k), 403(b) and 457 Catch-up Contribution (This amount is based on a calendar year, **NOT** plan year)	$ 5,500
SIMPLE Elective Deferrals (This amount is based on a calendar year, **NOT** plan year)	$ 11,500
SIMPLE IRA Catch-up Contributions (This amount is based on a calendar year, **NOT** plan year)	$ 2,500
Annual Compensation Limit	**$250,000**
Defined Contribution 415 Individual Limit	**$ 50,000**
Defined Benefit 415 Limit	**$200,000**
Dollar limit for the determination of HCE	**$115,000**
Social Security Wage Base	**$110,100**
Employer's Defined Contribution Deductible Limit (not including employee deferrals based on Eligible Comp) *IRC Section 404(a)(3)*	25%

Highlighted Limits Represent 2012 INCREASES

TIMING OF DEFERRAL :

All plans with "small plan" status must deposit employee deferrals into their plan NO LATER than the 7th business day following payroll. "Large plan" status must deposit within 3 banking days following payroll.

The information contained in this report does not purport to be a complete description of the material referred to in this newsletter. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation.