

Raymond James Retirement Plan Monthly Newsletter

Jan, 2018

Welcome to Fiduciary Insights, the monthly newsletter that keeps you in touch with issues, trends, events, and insights of significance to individuals connected with the retirement plan industry. The articles have been carefully selected from a variety of high quality sources.

General Items

Spending Retirement Assets...or Not?
Six Tips to Take DC Plans to the Next Level
CIT Interest Rising Among 401k Sponsors
Chart: Retirement Saver's Credit Limitations for 2018

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IRS Expectations of 401k Plans Hardship Withdrawals
The Elusive IRC Section 410(b)(6) Transition Rule

General Items

Spending Retirement Assets...or Not?

Abstract: The vast majority haven't been spending their retirement savings, leaving nest eggs mostly untouched and living on ready sources of income. Future retirees may be less fortunate. Source: Blackrock.com

Full Article Available Here --->> <https://www.blackrock.com/investing/retirement/blackrock-retirement-institute/savings-and-investing/spending-in-retirement>

Six Tips to Take DC Plans to the Next Level

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Abstract: Tax reform. Interest-rate hikes. Regulatory questions. Inflation. There's always a reason to put off making changes to your company's DC plan. But some improvements will be good for your plan and participants no matter what happens. Here are six tips to help you enhance your firms' retirement-readiness offerings. Source: Alliancebernstein.com

Full Article Available Here --->> <https://blog.alliancebernstein.com/library/six-tips-to-take-dc-plans-to-the-next-level?seg=20>

CIT Interest Rising Among 401k Sponsors

Abstract: For over a decade now, pundits have been predicting a mass movement of 401k plans away from mutual funds and toward collective investment trusts. Migration numbers have not borne that out, yet. But now, some forecasts suggest the time of mass conversions has finally come. Source: Investmentnews.com (registration may be required)

Full Article Available Here --->> <http://www.investmentnews.com/article/20171122/FREE/171129968/cit-interest-rising-among-401-k-sponsors>

Chart: Retirement Saver's Credit Limitations for 2018

Abstract: Taxpayers who make eligible contributions to an employer-sponsored retirement plan or IRA may be able to take a tax credit on their income tax return. They may use this chart to calculate their Saver's Credit. Source: Transamericacenter.org

Full Article Available Here --->> <http://www.transamericacenter.org/docs/default-source/resources/legislative/tcrs-2017-02---savers-credit-limits-for-2018.pdf>

Fiduciary and Plan Governance Material

Financial Wellness Via Your 401k

Abstract: A large percentage of Americans are living paycheck to paycheck. Here are action steps that encourage workers to save more than they are willing to earmark for retirement. Source: Psca.org

Full Article Available Here --->> https://www.pasca.org/blog_jack_2017_15

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Evaluating Auditor Proposals

Abstract: Evaluating responses to your plan auditor request for proposals can be done simply and efficiently if you lay out the criteria you consider most critical in advance and assign a weight in terms of importance to each. This approach creates a framework of objectivity before you begin reviewing the proposals. Source: Fiduciaryplangovernance.com

Full Article Available Here --->> <http://www.fiduciaryplangovernance.com/blog/audit-quality-series-3-evaluating-auditor-proposals-1>

How Does Your 401k Compare?

Abstract: Article identifies some of the common performance characteristics and features offered by many 401k plans and compiled the statistics below from a variety of sources that will allow you to benchmark your plan. Source: Bpp401k.com

Full Article Available Here --->> <http://bpp401k.com/?home=save-my-401k#more-11844>

Insights: Studies, Research and White Papers

Management Fees Paid by Sponsors Stay Steady, Callan Survey Finds

Abstract: The research features highlights of total fund-level fees, performance-based fees, and fee negotiation practices, but the heart of the questionnaire focuses on actual fees paid by asset owners to fund managers compared to published fee schedules at the asset class level. Source: Callan.com

Full Article Available Here --->> <https://www.callan.com/2017-fee-survey/>

Measuring Retirement Income Adequacy Not an Exact Science

Abstract: Researchers have developed diverse approaches for quantifying the adequacy of retirement income, focusing on different groups of retirees and employing different definitions of income and adequacy, a CBO report notes. Source: Planadviser.com

Full Article Available Here --->> <http://www.planadviser.com/Measuring-Retirement-Income-Adequacy-Not-An-Exact-Science/>

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Policy Changes to Address America's Retirement Challenge

Abstract: Mercer released this whitepaper outlining policy recommendations aimed at addressing and resolving America's retirement security challenge. As Congress considers retirement issues as part of tax reform, the paper offers guidance on how to develop a coherent public policy strategy that helps citizens adequately prepare for retirement given longer life expectancies and lack of financial knowledge. Source: Mercer.com

Full Article Available Here --->> https://info.mercer.com/rs/521-DEV-513/images/6005485-WE%20Rothification%20Policy%20Whitepaper_03NOV17_AM_V3b.pdf

Compliance and Regulatory Related

Plan Sponsor Fee Litigation Cases on the Rise

Abstract: There are three main types of excessive fee litigation: 1) Excessive fee litigation involving lawsuits against large corporate plan sponsors challenging fees and expenses associated with employee plans. 2) Excessive fee litigation involving lawsuits against financial institutions who also happen to be plan sponsors. 3) Excessive fee litigation involving university-sponsored 403b plans. This article examines each of these three types of excessive fee lawsuits. Source: Groom.com

Full Article Available Here ---
>> http://www.groom.com/media/publication/1888_Washington%20Watch_Fall_2017_Final.pdf

IRS Expectations of 401k Plans Hardship Withdrawals

Abstract: New substantiation guidelines for safe harbor hardship withdrawals have been issued by the IRS. The guidelines made it clear that hardship withdrawals must be substantiated with the proper form of documentation to be a valid distribution, so employers and third-party administrators must understand the guidelines prior to approving hardship distributions. Source: Lindquistcpa.com

Full Article Available Here --->> <http://www.lindquistcpa.com/insights/irs-expectations-of-hardship-withdrawals-401k-plans/>

The Elusive IRC Section 410(b)(6) Transition Rule

Abstract: One of the most confusing parts of working with retirement plans occurs when the plan sponsor buys another company. This article reviews one aspect of the rules relating to transactions,

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which is commonly the key to a successful handling of benefits matters in M&A, and is also commonly misunderstood: The IRC Section 410(b)(6) Transition Rule. Source: Ferenczylaw.com

Full Article Available Here -->> <http://ferenczylaw.com/article-the-elusive-irc-section-410b6-transition-rule/>

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