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Fiduciary Insights

Raymond James 401(k) Monthly Newsletter

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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.

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GENERAL ITEMS

[Year-end Tax Tips for Businesses](#)

Help improve your bottom line with these tax mitigation strategies. These basic tax-saving tactics could work for you and your business.

Read the full article at [Raymond James](#).

[401k Loans, Hardship Withdrawals at 2-Year High](#)

Loan and hardship withdrawals taken from workplace retirement plans in the third quarter of 2023 hit their highest levels in more than two years, according to a report from Empower. Among a study of 5.3 million defined contribution workplace savers in Empower accounts, 0.8% took hardship withdrawals in Q3, and 2.6% took out loans from their savings. Those were the highest rates in the past eight quarters.

Read the full article at [Planadviser](#).

[New Bill Seeks to Allow Roth IRA Rollovers into Roth 401ks](#)

Legislation introduced in House would correct oversight of current law prohibiting workers from rolling Roth IRA savings into workplace-based Roth retirement plans offered by employers.

Read the full article at [401k Specialist](#).

[Succession Planning at All Stages](#)

It turns out that no matter what stage of business you are at, it's never too early to think about succession planning. There are many myths around succession planning – including the most prominent "I'm not ready to retire." However, it turns out that no matter what stage of business you are at, it's never too early to think about succession planning.

Read the full article at [Raymond James](#).

FIDUCIARY AND PLAN GOVERNANCE MATERIAL

[DOL Retirement Security Hearing: Groups Express Both Support and Strong Opposition](#)

The Employee Benefits Security Administration is getting an earful of both support and opposition to various aspects of its controversial proposed "Retirement Security Rule: Definition of an Investment Advice Fiduciary," during an online hearing that started this week. More than 40 groups registered to testify during the hearing.

Read the full article at [401K Specialist](#).

[Why Small 401k Plans Should Remain Wary of Hidden Fees](#)

Unchecked hidden fees in small business 401k plans continue to be an issue despite regulation, litigation, and advancements in plan design leading to years of fee compression, according to a recent white paper by the advisory Beacon Financial Services.

Read the full article at [Planadviser](#).

[Incorporating Alternatives Into DC Plans Brings Challenges, Opportunities for Plan Sponsors](#)

While plan sponsors face challenges to including alternative investments among their defined contribution plans, as well as legal barriers to providing access, researchers at the Defined Contribution Institutional Investment Association Academic Forum last week argued that these illiquid asset classes provide participants a significant opportunity for growth.

Read the full article at [Plansponsor](#)

[2023 End of Year Plan Sponsor To-Do List for Qualified Retirement Plans](#)

As 2023 comes to an end, the law firm Snell & Wilmer presents their "End of Year Plan Sponsor To-Do Lists." It provides plan sponsors with a to-do list of items on which they may want to take action before the end of 2023 or in early 2024.

Read the full article at [Snell & Wilmer](#).

INSIGHTS; STUDIES, RESEARCH AND WHITE PAPERS

[ERISA Fiduciary Concerns Relating to Cybersecurity: Part I -- Theft of Plan Assets](#)

Since a cyber breach is not a matter of if it will occur, but a matter of when, fiduciaries of retirement plans should be addressing this risk. This article discusses the Department of Labor's authority over cybercrimes, litigation involving cyber theft of participants' accounts, and risk mitigation techniques for plan fiduciaries.

Read the full article at [Plus Blog](#).

[401k Loans: Debunking the Myths](#)

The retirement industry has long debated the need for and use of 401k loans. Many think that borrowing from a retirement account is sacrificing long-term financial security for a short-term fix. But what if retirement loans are just misunderstood? Research reveals an evolved perspective and approach to retirement loans.

Read the full article at [401k Specialist](#).

[2024 Key Administrative Dates and Deadlines for Calendar-Year DC Retirement Plans](#)

This five-page compliance calendar for 2024 lists key administrative dates and deadlines for defined contribution plans, from January to December, with more than four dozen relevant entries for plan sponsors working in the DC space.

Read the full article at [Milliman](#).

[The Battle of Passive vs. Active Reaches New Milestone](#)

Cerulli projections indicate that total passive mutual fund and exchange-traded fund assets will surpass total active mutual fund and ETF assets by early 2024. However, the flight toward passive may be slowing, as active management seeks ground in vehicles other than the mutual fund.

Read the full article at [Cerulli](#).

COMPLIANCE AND REGULATORY RELATED

[Lack of "Meaningful Benchmark" Bounces Another 401k Excessive Fee Suit](#)

Fiduciaries of a relatively small 401k plan have fended off an excessive fee suit with a federal judge finding no "meaningful benchmark" against which to assess a fiduciary violation.

Read the full article at [NAPA](#).

[Proposed Regulation for Long-Term Part-Time Employees: Plan Sponsors Act Now](#)

Effective Jan. 1, 2024, employers who sponsor 401k plans must allow employees who work at least 500 hours a year over consecutive years to be eligible to make deferrals into the plan. This change requires immediate action by plan sponsors to change the way they administer their plans, specifically, counting service hours and increasing eligibility for LTPT employees.

Read the full article at [Employee Benefits Law Report](#).

[DOL Drops Off Proposed Auto-Portability Exemption at OMB](#)

Proposed guidance implementing the SECURE 2.0 Act's provision providing an exemption for certain automatic portability transactions has moved one step closer to being publicly released. The DOL on Dec. 5 submitted to the White House Office of Management and Budget for review a Notice of Proposed Rulemaking to implement a statutory exemption under Section 4975 of the Internal Revenue Code allowing for the receipt of fees and compensation by an automatic portability provider for services provided in connection with automatic portability transactions.

Read the full article at [NAPA](#).

[DOL, IRS Announce Spring Regulatory Agendas](#)

The Internal Revenue Service and Department of Labor published their regulatory agendas for spring 2024. The agendas describe the short-term objectives of the regulators and contain items related to the fiduciary adviser definition proposal, SECURE 2.0, health plans, fiduciary corrections, and employee ownership.

Read the full article at [Planadviser](#).

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