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ACI Advisors Corner

September 22, 2009
By Tobi Cogswell

End of Year Assortment

As we start to head toward home and 2009 is almost over, there are some things you may wish to consider for your clients.

1) If you have a client who wants to start a 401(k) plan, or if you have a client who wants to add 401(k) provisions, <u>if they want that plan to be Safe Harbor* for 2009</u> they must put the provision in and provide a notice to their employees by 10/1.

   If they want to add 401(k) provisions for the very first time but not Safe Harbor*, they do not have to put them in and notice the employees by 10/1. However, they have to implement the 401(k) provisions early enough so that all participants can defer, i.e., putting the plan in at the end of the year so only the owners can defer out of their bonuses may be discriminatory in operation.

   * if you need information about Safe Harbor plans please call or email your ACI plan administrator or consultant.

2) Beginning 1/1/10 all 5500's with the exception of 5500EZ's will have to be filed electronically. This will be for 2009 tax forms that are filed in 2010. We will be contacting your clients to register them, and we will be sending out information on how the electronic filing will be accomplished. Just know this is coming and there will be no exceptions.

3) Don't forget, if your clients are getting older (never thought that a baby boomer would be considered older) and they lost a good portion of assets in their 401(k) account, they may wish to consider a Traditional or Cash Balance Defined Benefit plan for 2009 and future years. Putting in a Defined Benefit plan will allow them to build back their account balances with deductible contributions so that they won't have to work until they're 90 unless they want to. Discussions about this works best with all advisors present so be sure to include the CPA as well as ACI in any plan design discussions.

4) If you are short on CPE credits for this year know that many of our seminars offer CPE credit for CPA's. In addition to our "Basics" seminars we have one entitled "Questions, Questions, Questions" which will give you some ideas on what to ask prospects and clients so you can do a great job for them. Should you be interested in attending any of our seminars or if you'd like us to come do one for your office please contact Yariel Chiong at (310) 212-2604.

5) Remember that April 30, 2010 is the drop-dead date for completing the amendment and restatement of DC plans for EGTRRA. Please encourage your clients to do this sooner rather than later. It's almost later! Desired Plan changes can also be incorporated into the required restatement so that the Plan can better meet the needs of your client.

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