Retirement Planning Items 2010 & Beyond

W-2 Reporting (Please share this with your W-2 Preparer)

Use Box 12 to report any 401k withholdings from employees during 2010; Code D for Pre-Income Tax Deferrals with $'s reported; Code AA for Roth 401k

Check the "Retirement Plan" in Box 13 for any employee who either contributed to, or received any Employer contributions to your Retirement Plan during 2010. It does not matter for what year the contributions are funded, only if any money was contributed during 2010 for purposes of this reporting. Reference our most recent annual report for your Plan to help determine employees for whom this box should be checked.

Check out these IRS websites for more information and form instructions:
www.irs.gov/pub/irs-pdf/fw2.pdf or www.irs.gov/pub/irs-pdf/iw2w3.pdf

Year-End Information Requests

Our annual request for calendar year-end clients will be sent via U.S. Mail in late December. Please look out for this package and provide the requested information as soon as practicable. Note that some clients may wish to provide employee census data in an Excel spreadsheet format, which we can accommodate. Please contact our offices for a file template and instructions to compile and provide this information electronically. Information provided by other means - including manually compiled census reports and reports generated from payroll software is also acceptable. Please contact our office staff with any questions.

2011 Plan Limits

No changes from 2010 to 2011:

401k Contributions - $ 16,500 if under age 50; $ 22,000 if 50 and older ($ 5,500 Catch-Up)
Maximum Compensation for Plan Purposes = $ 245,000
Maximum Annual Additions Limit = $ 49,000
Social Security Taxable Wage Base = $ 106,800

Timeliness of 401(k) Deposits

This is a major area of concern and attention by the Department of Labor (DOL). A final rule now dictates the deposit of employee 401(k) withholdings and loan repayments no later than 7 business days following a pay date. We will note any deficiencies discovered to our clients and offer recommendations to correct non-compliance. We may also be forced, in some situations, to report deficiencies to the DOL via your form 5500.

Electronic Filing of Form 5500

Forms 5500 **MUST** now be filed electronically. We coordinated this process during the past year, and will continue the new EFAST filing routine in the future. Please be sure to **KEEP** your Department of Labor signing credentials retrieved during this past year. You will use them again for future electronically filed forms 5500.

New Developments on the Horizon

Health Care Reform, and its impact on reporting of employee and business activity.
New fee disclosure rules coming from DOL. Stay tuned for details.

We thank you for your business, and your continued trust in us!