

## Retirement News for Employers

### September 30, 2015 Edition

[Set up](#) a retirement plan – did you know any company can set up a plan?

[Watch](#) IRS video on low-cost, low-maintenance, SEP, SIMPLEs and Payroll Deduction IRAs

[Adopt](#) your 401(k), profit-sharing or other defined contribution pre-approved retirement plan by April 30, 2016

[Take](#) your first required minimum distribution from your IRA (including SEP and SIMPLE IRAs) by April 1 after the calendar year you turn 70½

[Fix](#) your 403(b) plan mistakes

- Compare your written plan to its operation – if these conflict, [fix it](#)
- Give all employees of the organization the opportunity to make a salary deferral – if you didn't, [fix it](#)

[Review](#) Form 5500-EZ Instructions under “Who Must File Form 5500-EZ” for filing requirements

[Mark your calendar](#) – see upcoming retirement plan deadlines

[Read](#) this before you take a loan from your 401(k) plan

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## Help with Choosing a Retirement Plan

### [Types of Retirement Plans](#)

Overview of IRS rules governing 401(k), SIMPLE IRAs, SEPs, etc.

### [Choosing a Retirement Solution for Your Small Business](#)

Overview of retirement plan options and comparison chart (IRS Publication 3998).

### [Webcast – Easy Low Cost Retirement Plans for Your Small Business](#)

How to start and operate a low-maintenance retirement plan.

## Benefits to Starting a Plan

### [Benefits to Starting a Retirement Plan](#)

Why the right retirement plan is your best bet for retirement security.

### [Now is the Time to Start a Retirement Plan](#)

Colorful illustration of the top 5 benefits to starting a plan.

## Hints for Buying a Plan from a Vendor

### [Tips for Employers Using Pre-Approved Plans](#)

Questions to ask your service provider about your adoption and service agreements.

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## 2016 Deadline to Adopt Restated Pre-Approved DC Plans

**April 30, 2016**, is the deadline for employers using pre-approved retirement plan documents to sign an updated version of their 401(k), profit-sharing or other defined contribution retirement plans.

Pre-approved plans are purchased from a financial institution, advisor, or similar provider. They allow limited customization but give the employer the reassurance that IRS approved the plan's wording.

### Why a revised plan is necessary

Retirement plan documents must be revised when the law changes. Your retirement plan will remain qualified and provide tax benefits only if you update your plan document for law changes by the required deadline.

Document providers who sell pre-approved plans update the plan in its entirety once every six years and request a new opinion/advisory letter from the IRS. The IRS generally approves all updated defined contribution plans at the same time. Most opinion/advisory letters for the latest round of pre-approved defined contribution plans were issued on March 31, 2014. Employers have two years, until April 30, 2016, to adopt these updated plans ([Announcement 2014-16](#)).

After April 30, 2016, if you haven't adopted a restated plan, your plan does not comply with the tax laws and may be ineligible for tax benefits.

### Adopting a revised plan document

Your provider should have sent you a revised plan document, approved by the IRS, which complies with the Pension Protection Act of 2006 (PPA) and other law changes listed on the 2010 [Cumulative List](#) of Changes in Retirement Plan Qualification Requirements ([Notice 2010-90](#)). Sometimes a plan reflecting PPA is called a "PPA restatement."

Even if you made amendments to your plan to reflect these laws as they became effective (interim amendments), you are still required to adopt a PPA plan document.

### Determination letters for employers adopting a pre-approved plan

Most employers don't need to apply for a separate IRS determination letter for a pre-approved plan. Employers who changed their Volume Submitter (VS) plans can apply for individual determination letters for pre-approved defined contribution plans but must do so by April 30, 2016.

**M&P plans** - An employer who adopts a master & prototype plan (standardized or non-standardized) *may not apply* for its own determination letter on Form 5307. Instead, the employer should rely on the approval letter issued to the plan sponsor.

**VS plans** - An adopting employer who made limited modifications to its volume submitter plan may apply for a determination letter on [Form 5307](#), *Application for Determination for Adopters of Modified Volume Submitter Plans* ([instructions](#)). If the modifications are extensive, causing the plan to be treated as an individually designed plan, the employer must instead file [Form 5300](#), *Application for Determination for Employee Benefit Plan*.

See [Revenue Procedure 2015-6, Sections 8 and 9](#), for more information on determination letter applications for employers using pre-approved plan documents.

### Additional resources

- [Pre-Approved Retirement Plan Adopting Employers FAQs](#)
  - [Adopting Employers](#)
  - [Determination, Opinion and Advisory Letters](#)
  - [List of Pre-approved Plans](#)
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## Mark Your Calendar

Here are some important dates in the upcoming months. Most of the deadlines are for calendar-year plans; non-calendar-year plans must adjust the dates.

### Oct. 1:

Establish a [SIMPLE IRA](#) or safe-harbor 401(k) plan for 2015 (for businesses starting after Oct.1, as soon as feasibly possibly).

Conform plan operations for any additional benefit restrictions that may apply under IRC Section 436 if you sponsor a single-employer defined benefit plan and haven't received a certified AFTAP from the plan's enrolled actuary by September 30.

### Oct. 15:

[File](#) Forms 5500, 5500-SF or 5500-EZ, and 8955-SSA if you filed Form 5558 for a 2½-month extension.

Make deductible contributions for 2014 if you filed a Form 1040, Schedule C and have an extension of your April 15, 2015, filing deadline.

Set up a [SEP plan](#) for 2014 if you filed a Form 1040, Schedule C and have an extension of your April 15, 2015, filing deadline.

Make third quarter contributions to 2015 calendar-year defined benefit plans.

Elect (or elect to change) a standing election to use funding balances to offset minimum funding requirements for single-employer defined benefit plans that lost their standing elections because they changed their enrolled actuary.

**Oct. 30:** [Submit](#) applications for opinion and advisory letters for pre-approved defined benefit plans. This applies only to pre-approved defined benefit mass submitter lead and specimen plans, word-for-word identical plans, M&P minor modifier placeholder applications, and defined benefit non-mass submitter plans. It doesn't apply to individual plan sponsors who might wish to adopt a pre-approved plan document.

**Nov. 2:** Give a SIMPLE IRA or SIMPLE 401(k) plan notice to eligible employees of their 2016 salary reduction rights and whether the employer required contributions will be matching or nonelective contributions.

**Dec. 2:** Give 2016 plan-year notice to eligible employees for [safe harbor 401\(k\) plans](#) and plans containing an [eligible automatic contribution arrangement](#).

**Dec. 31:**

Distribute 2014 401(k) excess contributions and excess aggregate contributions (both adjusted for 2014 income and losses).

Set up a qualified retirement plan for 2015 (you can't have retroactive elective deferrals).

Distribute 2015 required minimum distributions (you have until April 1, 2016, to pay the first RMD for a participant who turned 70½ in 2015 or for a participant, other than a 5-percent owner, who retired in 2015).

Revoke a single-employer defined benefit plan sponsor's previous election to use a funding balance to offset minimum required contributions for the 2015 plan year, to the extent the election exceeded the full minimum required contribution for the year. This deadline only applies to plans with valuation dates as of the first day of the plan year.

Elect to reduce Jan. 1, 2015, funding balances to avoid or lift benefit restrictions under IRC Section 436 for single-employer defined benefit plans.

**Jan. 15, 2016:** Make the 2015 fourth quarter contribution for defined benefit plans.

**Jan. 31, 2016:** [Cycle E](#) individually designed plans must amend for recent law changes and may submit the plan for a determination letter.

**Feb. 1, 2016:**

File Form 945, *Annual Return of Withheld Federal Income Tax*. If you made timely and complete deposits of 2015 taxes, you may file Form 945 later – see 2016 Form 945 Instructions.

Trustees and custodians must issue Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, to recipients of 2015 retirement plan distributions.

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## Considering a loan from your 401(k) plan?

Your 401(k) plan may allow you to borrow from your account balance. However, you should consider a few things before taking a loan from your 401(k).

If you don't repay the loan, including interest, according to the loan's terms, any unpaid amounts become a plan distribution to you. Your plan may even require you to repay the loan in full if you leave your job.

Generally, you have to include any previously untaxed amount of the distribution in your gross income in the year in which the distribution occurs. You may also have to pay an additional 10% tax on the amount of the taxable distribution, unless you:

- are at least age 59 ½, or
- qualify for another exception.

Any unpaid loan amount also means you'll have less money saved for your retirement.

### Additional resources

- [FAQs: Loans](#)
- [Publication 575](#), *Pension and Annuity Income*