

Here's A Handy Checklist For Making Changes To Your Retirement Plan

First thing to remember is to document, document, document. This will help you and your team make the adjustments and avoid mistakes.

Think Of The Journalist's List Of Questions:

What, Who, Where, When, Why, and How?

What change would you like to make?

Can you describe the plan operation before the change and the plan operation after the change?

Who will the change affect?

Do all participants need to know about the changes? Do only a subset need to know, or is this change just limited to some of the personnel who work on the plan?

Where will plan assets be transferred?

What are the options you should consider?

When do you want to make the change?

Some changes can be retroactive to the beginning of the plan year. Some changes must be delayed until the next year. Others may require a set notice period, while some may only require a "reasonable" notice period.

Why do you want to make the change?

Has there been a change in the business? Are you feeling more generous? Will the change help with employee retention? This may be the most important question.

How do you describe the plan operation before, during, and after the change is made?

How would you like the plan to operate after the change? How does the change get made? Will a formal plan amendment be required?

Here's An Example.

David, the current Trustee will soon retire, and Sally will take his place.

- **What:** Trustees will change. Sally is replacing David.
- **Who:** This is a high-level change. Plan participants must be formally notified of the change either by issuing a new Summary Plan Description, or a Summary of Material Modifications. The assets holders (custodians) also need to know, and this may even require a change in signature cards.
- **Where:** Unless the plan assets are to be transferred, "where" may not be relevant.
- **When:** An end date for David's term needs to be identified. Will Sally take over on the same day, or will there be an overlap?
- **Why:** This is a change of Trustee, a high level plan official. It is a good idea to clarify the reasoning. For example: David is retiring, he is not leaving due to bad performance.
- **How:** A Formal plan amendment and change to the Summary Plan Description are required. The leaving Trustee should formally resign and state the end of his or her term. The new trustee should formally accept his or her appointment with a formal start date.

Check out "Low Cost Ways To Improve 401(k) Participation" for additional ways to encourage employees to open 401(k) plans.

Contact:

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Why Primark Benefits

- ◆ **EXPERIENCE:** We've been in business since 1971
- ◆ **EXPERTISE:** Our credentialed staff are experts and leaders in the field
- ◆ **ACCURACY:** We have rigorous quality control and a compliance dept
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Also speak with us about how we can coordinate *all* your employee benefits and services including: retirement, health insurance, flex plans, COBRA, and even payroll processing!

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Every Change Is Different.

We encourage you to discuss all changes with us. This way we can help you cover the What, Who, Where, When, Why, and How. We can make the change simple, easy, and logical rather than complicated and chaotic.

Need Help?

Let Primark Benefits make sure changes to your retirement plan, or those of your clients, are managed correctly and in compliance should there ever be an audit. Contact us today!

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