

The AMI Employer Newsletter

Winter 2019



AMI Benefit Plan
Administrators, Inc.

100 Terra Bella Drive

Youngstown, Ohio 44505

330-406-9021

800-451-2865

Fax (Toll Free): 1-866-436-6703

Email: ami@amibenefit.com

www.amibenefit.com

If you have any questions about this newsletter, you may email Pamela Shoup, CEBS, RPA, QKA at pshoup@amibenefit.com.

2019 Limits

<i>Limit</i>	<i>Amount</i>
Elective Deferral (401(k)/403(b)/457)	\$19,000
Catch-up Contributions	\$6,000
DB Annual Benefit Limit	\$225,000
DC Plan Annual Addition Limit	\$56,000
Highly Compensated Threshold	\$125,000
Annual Compensation Limit	\$280,000
SS Taxable Wage Base	\$132,900
SIMPLE Contribution Limit	\$13,000
SIMPLE Catch-up Contributions	\$3,000
Key Employee Officer Compensation	\$180,000

More information can be found at: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-401k-and-profit-sharing-plan-contribution-limits>

More Reports Online

AMI has added more reports to the web for plan sponsors and financial advisors:

1. Executive Summary Report – this report shows a high level overview of plan financial activity, investment option utilization and deferral rate information (if online deferral changes permitted)
2. Plan Document
3. Plan Testing – If AMI performs the non-discrimination testing for your plan, the most recent final report is online

A Note about Participant Address Changes and Distributions

Retirement plans are increasingly becoming a target for theft. One way that AMI counters this threat is to not permit participants to make online requests for distributions or loans. All requests must be completed on paper. If a participant has recently made an online address change that AMI is not able to verify through another source, we may contact the employer for assistance such as requesting a recent participant phone number or verifying the address in the employer's files, etc. before proceeding with the loan or distribution transaction.

Multi-Factor Authentication (MFA) Update

In the language of IT, “The more secure you make data, the more inconvenient it becomes to access data.” AMI has started rolling out Multi-Factor Authentication to users of its participant website. In addition to their user id and password, MFA will require participants to enter a passcode that has been emailed or texted to them. Users will be required to enter a code at set intervals and before processing various transactions.

Proposed Hardship Withdrawal Changes

The Bipartisan Budget Act of 2018 included changes to the hardship distribution rules. However, current regulations under 401(k) regarding hardships are not consistent with the provisions of the Bipartisan Budget Act, and as a result, the IRS issued proposed regulations that if implemented, would go into effect at the beginning the 2020 year. Some key changes include:

Mandatory:

1. Elimination of the 6 month suspension period following a hardship distribution
2. Remove the facts and circumstances test to determine financial need, and replace with a more objective standard
3. Update the definition of a casualty loss (remove the requirement that it be tied to a federally declared disaster)

Optional:

1. Expand accounts available for hardship, including earnings on deferrals
2. Eliminate requirement that loans must be taken before a hardship withdrawal can be granted
3. Add a new hardship reason – federally declared disaster

Plan Amendments

A plan amendment will need to be executed to reflect these changes. If AMI is your document provider, and your plan allows for hardship withdrawals, AMI will contact you once we have more information on the plan amendment process (timing, etc.)

Did You Know. . .

that AMI is a Department of Labor contractor? We are awarded several contracts each quarter for plans that have been abandoned or have some sort of court settlement. AMI is named as the independent fiduciary for the plan, gathers the assets, makes arrangements for participant distributions, and files the final 5500 form for the plan.

Some recent examples:

<https://www.dol.gov/newsroom/releases/ebsa/ebsa20190123>

<https://www.dol.gov/newsroom/releases/ebsa/ebsa20181017>

Designations Earned/Exams Passed

Congratulations go out to Tim Halchuck for earning the QKA (Qualified 401(k) Administrator) designation and to John Halchuck for earning the TGPC (Tax-Exempt and Governmental Plan Consultant) designation.

Tracy Martin and Rochelle Williamson both passed the third exam (of 4) for the QKA designation and Pam Shoup passed the first exam (of 2) for the TGPC designation.