

# Actuarial Consulting and Administrative Services

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*Who is Profit Planners?*



## Who is Profit Planners?

- ▶ Providing high quality actuarial consulting and administration services since 1966
- ▶ Focus solely on actuarial consulting and administration
  - Unbiased – Independent of Investment Advisor
  - Best-in-class retirement planning / administration
- ▶ Emphasis on Cash Balance/401(k) Profit Sharing Plan Design
  - New Rules and Regulations Mitigate the Issues of “Traditional” Defined Benefit Plans
  - Coordination with Defined Contribution Plans provide superior flexibility for privately held firms
  - Holistic and Comprehensive Approach to Benefit Delivery



## Who is Profit Planners? (continued)

- ▶ Currently 4 Credentialed Actuaries
  - Plan Sponsor Continuity
  - Currently FSA, ASA, and MSPAs
  - AddYX Additional Defined Benefit Administrators Due to Significant Growth
- ▶ Defined Contribution Plan Administrators
  - Currently 4 “DC” Administrators
  - Averaging Over 10 Years of Experience (Including New Hire)
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## Who is Profit Planners? (continued)

- ▶ Currently Administer Over 100 \$ retirement plans
  - Approximately 70% – Law Firms
  - Approximately 20% – Medical
  - Plan participant size range: 1 – over 1,200
- ▶ Profit Planners Continues to Achieve Significant Annual Growth
  - Dependable
  - Reputation for Meeting Client Expectations
  - Breadth and Depth of our Actuarial Services
  - High Quality Results



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*Cash Balance Plan*

*Annual Services*

# Annual Services

- ▶ Census Reconciliation
  - Eligibility Determination
  - Vesting Determination
  - Key Employee Identification
  - Highly Compensated Employee Identification
- ▶ Plan Asset / Trust Reconciliation
- ▶ Prefunding Balance Reconciliation
- ▶ Funding Method Elections
- ▶ Annual valuations
  - IRS Minimum Required Contributions
  - IRS Maximum Tax Deductible Contributions
  - Recommended Contributions







## Annual Services (continued)

- ▶ Determine Optimal “Earned Income”
- ▶ Adjusted Funding Target Attainment Percentage (“AFTAP”) Certifications
- ▶ Reconciliation of Present Value of Accrued Benefits as required under ASC 960
- ▶ Actuarial Valuation for Accounting Purposes (FASB)
  - Actuarial Assumption Approval Process with Auditor
  - Actuarial Valuation Report in Accordance with ASC Topic 715–30
  - Correspondence with Auditor

# Annual Services (continued)

## ▶ Government Forms

Annual Return/Report of Employee Benefit Plan

- IRS Form 5500/IRS Form 5500-SF

IRS Form 8955-SSA – Annual Registration Statement

Identifying Separated Participants with Deferred Vested Benefits

IRS Forms 945, 1096, and 1099-R

- EFTPS Assistance

IRS Form 5300 – IRS Determination Letter filing

- Qualified Plan Status
- Controlled Group/Affiliated Service Group Status





## Annual Services (continued)

### ▶ Government Forms (continued)

Pension Benefit Guaranty Corporation (“PBGC”)

- Annual Valuation for PBGC purposes
- Annual Comprehensive PBGC Premium Filing

### ▶ 401(k) / 403(b) Record-Keeping

Utilize ASpire Recordkeeping Software

State of the art web application service provider

- Ease of use for both Participant and Plan Sponsor
- Payroll training / 401(k) record-keeping integration
- Integrated with Profit Planners, LLC valuation systems

\* *Profit Planners, LLC manages process – Consultant remains sole contact*

# Annual Services (continued)

- ▶ Participant Notices

  - QPSA Notices

  - Participant Benefit Statements

  - Annual Funding Notices

  - Benefit Restriction Notices (when applicable)

  - Cessation of Benefit Restrictions (when applicable)

  - PBGC Notices (when applicable)



Actuarial Consulting  
&  
Administrative Services  
*401(k) and Profit Sharing Plan  
Annual Services*

## Annual Services

### ▶ Census Reconciliation

Eligibility Determination

Vesting Determination

Key Employee Identification

Highly Compensated Employee Identification

### ▶ Plan Asset / Trust Reconciliation

Traditional 401(k) and 403(b) Daily Recordkeeping  
Platforms

Source Accounting

- Loan Maintenance
- Self-Directed Brokerage Accounts
- Pooled Defined Contribution Plans

Share Accounting





## Annual Services (continued)

- ▶ Determine Optimal “Earned Income”
- ▶ Controlled Group/Affiliated Service Group Determination
  - IRC §414(b), §414(c), and §414(m)
- ▶ 401(k) Deferrals
  - Traditional or Roth – IRC §402(g) Limitation Assurance
  - Automatic Enrollment / Automatic Increases Plan Governance
  - Safe Harbor / Non-Safe Harbor Analysis
- ▶ Annual valuations
  - IRS Minimum Required Employer Contributions
  - IRS Maximum Tax Deductible Employer Contributions
  - Recommended Contributions

## Annual Services (continued)



### ▶ IRS compliance testing – “Non-discrimination” Testing

Compensation (§401(a)(17) and §414(s))

Coverage (§410(b))

401(k) Deferral Limits (§402(g))

ADP/ACP (§401(k)/401(m)) Testing

General Testing (§401(a)(4))

Top-Heavy Testing (§416)

Distributions



## Annual Services (continued)



### ▶ Government Forms

Annual Return/Report of Employee Benefit Plan

- Form 5500/IRS Form 5500–SF

IRS Form 8955–SSA – Annual Registration Statement

Identifying Separated Participants with Deferred Vested Benefits

IRS Forms 945, 1096, and 1099–R

- EFTPS Assistance

IRS Form 5300 / Form 5307 –

- Qualified Plan Status
- Controlled Group/Affiliated Service Group Status

## Annual Services (continued)

### ▶ Participant Notices

Summary Annual Report (“SAR”)

Safe Harbor

PPA Notices – Self-Directed investments

Qualified Default Investment Alternative (“QDIA “)

DOL Participant Fee Disclosures (§404(a)(5))

Participant Benefit Statements

Required Fund Notifications



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*Plan Governance*



# Plan Governance

- ▶ Plan Document Assistance to Legal Counsel
  - Adopting Resolutions
  - Plan Document
  - Summary Plan Descriptions
  - Fully Compliant Administrative Forms
  - Plan Amendments
    - Summary of Material Modifications
- ▶ IRS Determination Letter Filing Assistance
  - IRS Form 5300 or
  - IRS Form 5307



## Plan Governance (continued)

- ▶ **Plan Audit Services**
  - DOL and/or IRS Correspondence
  - Plan Auditor Correspondence
  - Facilitate Audit Proceedings
- ▶ **Plan Corrections**
  - Employee Plans Compliance Resolution System (EPCRS)
  - Delinquent Filer Voluntary Compliance Program (DFVCP)
  - Voluntary Fiduciary Correction Program (VFCP)
- ▶ **Coordination With Other Plan Sponsor Benefits**
- ▶ **Data Corrections**

## Plan Governance (continued)

- ▶ Legislative Monitoring

  - Following Proposed Law change(s) with Significant Impact on Qualified Retirement Plans

  - Notification of Significant Law Changes

  - Plan Impact Analysis on Significant Law Changes



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*Requested Services – Plan Sponsor*



## Plan Sponsor Requested Services

- ▶ Enrollment / Education Meetings
  - Education Program
  - Enrollment Forms, SPD, Participant Notices
  - Enrollment Assistance
- ▶ Plan Projections / Budget Estimates
  - Estimate Non-discrimination Results
  - Projected Employer Contributions
  - Scenario Simulations
- ▶ Plan Design Analysis
  - Review of IRS Sponsored Qualified Plans Available*
  - Ensure Current (or Proposed) Plan(s) Meeting Plan Sponsor Retirement Objectives
  - Provide Illustrations for Plan Sponsor Determination(s)





## Plan Sponsor Requested Services (continued)

### ▶ Plan Termination Services (Defined Contribution Plans)

IRS Determination Letter Filing (optional)

Determine Final Contribution Amounts, if any

Assist Legal Counsel – Final Plan Documents

- E.g. IRS Compliant, Required Plan Termination Amendment(s)

Final Distribution Forms

Final Government Forms

- Form 5300 / Form 5307 for Termination Purposes
- Final Form 5500 series
- Final IRSs Form 1099-R, 1096, 945
  - EFTPS assistance available



## Plan Sponsor Requested Services (continued)

- ▶ Additional Plan Termination Services for Defined Benefit Plans – PBGC Requirements

Timeline for PBGC Compliant Terminations

Provide PBGC Compliant Filings for All Termination Types:

- Standard Terminations
- Distress Terminations
- PBGC – Initiated Terminations

PBGC Missing Participants Search Assistance

PBGC Missing Participant Benefit Determination (if unable to locate)

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*Requested Services - Participant*



# Participant Requested Services

- ▶ Participant Distribution Packages
  - Distribution Forms
  - Required Tax Notifications
  - IRS Forms 1099-R, 1096, and 945
- ▶ Domestic Relation Order Qualification Assistance – “QDROs”
- ▶ Loan Origination
  - Amortization Schedule
  - Promissory Note Preparation
- ▶ Loan Maintenance
  - Ensure Plan Compliance





## Participant Requested Services (continued)

### ▶ Hardship Withdrawals

Determine Eligibility for Hardship

Calculate Maximum Distribution Permitted by IRC

Distribution forms

### ▶ Self-Directed Brokerage Accounts

Account balance maintenance by source

- 401(K) – Traditional and/or Roth
- Safe harbor
- Profit Sharing
- Rollover





## Participant Requested Services (continued)

### ▶ Pooled Profit Sharing Accounts

Account balance maintenance by source

- 401(K) – Traditional and/or Roth
- Safe harbor
- Profit sharing
- Rollover

### ▶ Required Minimum Distribution

Identify Participants Eligibility for “RMD”

Calculate Distribution Amount

Provide Required Distribution Package

Facilitate Distribution



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*Meet Your Actuarial Team Leaders*



## Meet your actuarial team

### Raymon Alperstein, ASA – Member / Consulting Actuary

- ▶ Practicing Actuary Since 1977
- ▶ Defined Benefit and Defined Contribution Plan Expert
- ▶ Additional Expertise in Financial Accounting Standards Board (FASB) Actuarial Valuations
- ▶ Bachelor of Science Degree in Statistics and Computer Science from the University of Witwatersrand in South Africa
- ▶ Associate of the Society of Actuaries (ASA) and Certified as an Enrolled Actuary (EA) by the IRS Joint Board of Enrolled Actuaries. He is also an Associate of the Institute of Actuaries in London, U.K.
- ▶ Member in the American Society of Pension Professionals & Actuaries (MSPA)





## Meet your actuarial team (continued)

### Craig J. Blumenfeld, FSA – Consulting Actuary

- ▶ Nearly 25 years of actuarial experience, including Fortune 500 clientele
  - Tenures include Allstate, Deloitte & Touche, and Watson Wyatt (now “Towers Watson”)
- ▶ 401(k) / Profit Sharing, Defined benefit and cash balance plan expert
- ▶ Significant Expertise in Health & Welfare Retirement Planning, Financial Accounting Standards Board (FASB) Actuarial Valuations, and Working With Collectively Bargained Plans, including Multiemployer (or “Taft Hartley”) Plans
- ▶ Bachelor of Science degree in Actuarial Mathematics–University of Michigan
- ▶ Fellow of the Society of Actuaries (FSA) and certified as an Enrolled Actuary (EA) by the IRS Joint Board of Enrolled Actuaries
- ▶ Member in the American Society of Pension Professionals & Actuaries (MSPA)
- ▶ Co–Chair for the ASPPA Actuarial Symposium
- ▶ Presents and Serves as Moderator to Retirement Plan Professionals at ASPPA Conferences.

## Meet your actuarial team (continued)

### James Barr, ASA – Chief Actuary

- ▶ Nearly 30 Years of Experience
- ▶ Premier actuary specializing in 401(k) / Profit Sharing Plans, Traditional Defined Benefit Plans, as well as Cash Balance Plans
- ▶ Also has significant Expertise in Health & Welfare Retirement Planning, Financial Accounting Standards Board (FASB) Actuarial Valuations, and Working With Collectively Bargained Plans, including Multiemployer (or “Taft Hartley”) Plans
- ▶ Associate of the Society of Actuaries (ASA) and certified as an Enrolled Actuary (EA) by the IRS Joint Board of Enrolled Actuaries
- ▶ Member in the American Society of Pension Professionals & Actuaries (MSPA)