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5 KEY TAKEAWAYS
Establishing Tax-Qualified Retirement Plans

Kilpatrick Townsend attorneys Sterling Perkinson and Peter Daines presented a Strafford webinar focused on the challenges and considerations facing a company in setting up tax-qualified retirement plans. The presentation also covered highlights of the "Secure 2.0" legislation for retirement plans that is pending in Congress.

Key takeaways include:

1 Retirement plans are a great way to help employees save for retirement on a tax-advantaged basis, but there are a number of complex tax compliance and fiduciary rules that companies and plan fiduciaries need to navigate.

2 Service providers can help sponsors and fiduciaries navigate these rules, but fiduciaries must exercise ongoing prudence and follow a prudent process when selecting and monitoring providers and investments.

3 SECURE 2.0 legislation, if enacted, would provide some significant changes—such as Roth (after-tax) employer contributions, expansion of automatic contribution and automatic escalation arrangements, and new withdrawal options.

4 Mistakes in plan administration can generally be voluntarily corrected efficiently and often without a filing fee or filing requirement under IRS and Department of Labor correction programs.

5 Department of Labor compliance audits have focused on initiatives regarding cybersecurity, missing participants, plan expenses, and timely deposit of participant contributions. Fiduciaries should ensure that they have prudent policies in place to ensure compliance in each of these areas.

For key developments and updates on retirement plans, subscribe to our ERISA blog at: https://kilpatricktownsend.com/blog/ERISA.