

THE  
ROSENBAUM  
LAW FIRM P.C.

ADVISORS ADVANTAGE  
A Publication for Retirement Plan Professionals

## ....One More Thing For Plan Providers,, Som points to ponder.



When Steve Jobs would lead an Apple press conference, he would always end it with "one more thing," which was an important announcement of a new Apple product. It was his trademark and it was quite memorable. To echo that, here are some things that you should consider as a retirement plan provider as we near 2020.

To read the article, please click [here](#).

## That Estee Lauder 401(k) case is troubling.

It brings up a lot of problems..

I worked at a third-party administration (TPA) where one of our administrators tried to steal money from a participant's account and transfer it to his Individual Retirement Account (IRA).. The only reason he got caught because he messed up the numbers on his own IRA. So this Estee Lauder theft case reminds me of it.



Despite the lawsuit concerning this Plan and the investigation, keep in mind that these are only allegations.

The Department of Labor is investigating the theft of \$99,000 from Naomi Berman, a participant in Estee Lauder's 401(k) plan, according to the ERISA attorney representing her in a civil claim filed in U.S. District Court for the Northern District of California.

In 2016, Berman received the first of two letters from Estee Lauder, confirming distributions of \$37,000 and \$50,000 from her 401(k) account. The distributions were sent to accounts at SunTrust Bank and TD Bank. Berman did not have accounts at either institution. Berman left assets in the plan after terminating employment in 2006.

For 3 months, Berman made 23 calls to Estee Lauder's recordkeeper, Alight. Alight reported to

Berman that it would investigate the transactions. Upon completion of that investigation, Berman was told no money was recovered, and that she would not be made whole. There was no report on how the distributions were made and backup to the transactions was never received by Ms. Berman.

I have been through enough transactions where the plan provider (or employee) stole the money or it was a ruse created by a participant, trying to get paid out twice. What happened here is an unsolved mystery and it's a troubling episode because it's so public and the answer by the recordkeeper was insufficient for her lawyers.

## Get the best person for the job, period.

It's that simple.



I'm a long-suffering fan of the Mets and over the past two years, I've had to deal with the underwhelming leadership of Mickey Callaway as the team's manager. Callaway was never a manager and it showed. He was a successful pitching coach of the Cleveland Indians and he did a heck of a job in mismanaging the rotation and bullpen as Mets manager. So when Mickey was fired, the hope was that the Mets would hire an inexperienced manager. Well, they

didn't. They picked future Hall of Famer and former Met Carlos Beltran. I knew that successful managers weren't going to get the job because the General Manager wouldn't be able to control a Joe Girardi or Buck Showalter. Since Brodie Van Wegeman was going to pick the manager as general manager, he was going to pick a candidate that he could control.

The point is that when hiring employees, hire the best people for the job. Never let your ego or standing get in the way of hiring the best candidates available, period. If you're incompetent and you just want to hire employees that are worse than you, they're still going to eventually find out that you're not up to the task.

## 2020 Plan Limits Announced.

All qualified plan limits revealed by the IRS.

As I'm sure you heard, the Internal Revenue Service released their 2020 Cost of Limit Adjustment limits for qualified plans and individual retirement accounts.

The salary deferral limit for participants in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$19,000 to \$19,500. The catch-up contribution limit for participants aged 50 is increased from \$6,000 to \$6,500. The limitation regarding SIMPLE retirement accounts for 2020 is increased to \$13,500, up from \$13,000 for 2019.



The limit on annual contributions to an IRA remains unchanged at \$6,000. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.

Effective January 1, 2020, the limitation on the annual benefit under a defined benefit (DB) plan under § 415(b)(1)(A) is increased from \$225,000 to \$230,000. The limitation for defined contribution (DC) plans under § 415(c)(1)(A) is increased in 2020 from \$56,000 to \$57,000. The annual compensation limit under §§ 401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) is increased from \$280,000 to \$285,000. The dollar limitation under § 416(i)(1)(A)(i) concerning the definition of "key employee" in a top-heavy plan is increased from \$180,000 to \$185,000. The limitation used in the definition of "highly compensated employee" under § 414(q)(1)(B) is increased from \$125,000 to \$130,000.

## Make sure what you sell works.

**It's important that it does.**



At home, I have Verizon FIOS for TV and the Internet and that was after having my cable provider, Optimum for about 13 years. A few months back, I was enticed to re-sign with Optimum and their new Altice converter box/router. When it came the day of installation, the Altice system failed during installation and the installer told me that the Altice system was buggy and wouldn't be great for another 4 months, so I canceled the installation.

As a plan provider, you can't afford something buggy that won't work. Whether it's your website or an app or any type of system where plan sponsors have an interface, you can't afford to look bad in front of clients and other providers. You only get one chance to get it right and that's what beta testing is all about.

## Arlington is this week.

**Registration for all events open including Disney World.**

That 401(k) Conference is the most fun 401(k) advisor out there with a price point that won't break your back.

\$100 gets you 4 hours of content to grow your advisory business, lunch, a stadium tour and a meet and greet with a baseball legend.



To finish the year, we will be in Arlington Texas, home of the Dallas Cowboys. That event at AT&T Stadium will be on Friday, December 13th with special guest, Everson Walls. Tickets can be purchased [here](#).

Don't forget, our national conference for March 2020.

Family fun at Disney World with a conference that won't break your bank if you're a sponsor or attendee. Information on That 401(k) National Conference sponsorship and to sign up is [here](#).



Our first regional event for

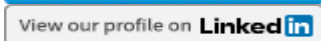
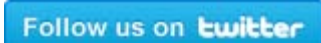
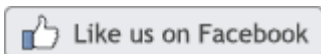


2020 will be Friday, April 17th in Houston Texas. Sponsorship information can be found [here](#). Registration link is [here](#).

We will be hosting That 401(k) Conference in St. Louis on Friday, May 8th. Sponsorship brochure can be found [here](#), the registration like can be found [here](#).



The last event for the first half of 2020 will hail from Target Field in Minneapolis on Friday, June 5th. Sponsorship information can be found [here](#), the registration link can be found [here](#).



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