

**THE
ROSENBAUM
LAW FIRM P.C.**

THE LAW FIRM REVIEW

A Publication for Plan Sponsors and Retirement Plan Professionals

Plan Sponsors Need To Fix Their Plan Errors Now!

You can't wait, fix it now!



For most of us, when we don't feel well, we go to the doctor. We don't wait until things get worse, we take care of things because there may be symptoms of a disease or illness that could cause greater harm to our health if we don't nip it in the bud. So it's strange when 401(k) plan sponsors are told by their plan providers that there are errors and omissions in the administration of their plan that needs

to be fixed and they don't want to fix them even though they have a fiduciary duty to keep the plan in compliance with ERISA and the Internal Revenue Code. This article is as 401(k) plan sponsors, you need to fix errors and omissions in your plan before the problems grow and it gets costlier to fix.

For the article, click [here](#).

M&A, 401(k) & The Plan Sponsor: What You Need To Know.

What plan sponsors need to know now.

Mergers and acquisitions (M&A) are transactions in which the ownership of companies, other business organizations or their operating units are transferred or combined. M&A is an extremely important concept in the world of retirement plans. Whether a business transaction is a merger, the sale of stock or sale of assets will have a tremendous effect on the retirement savings of plan participants if the acquired company and/or acquirer sponsor retirement plans. A plan sponsor who is either acquiring a company or its assets or finds itself to be a target for purchase needs to



understand some important concepts when it comes to 401(k) plans. This article will bring up some important considerations as it pertains to M&A and 401(k) plans.

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

Why Your 401(k) Plan Should Get a Tune-Up.

It's always good to make sure the plan is in tip-top shape.



Cars are built better today and the engine tune-up that was needed after 50,000 to 75,000 miles isn't needed until later on to replace spark plugs and timing belts. However, there are still little preventive things that need to be done to a car to avoid more costly headaches later. When it comes to my cars, I always know that there are certain things I need to do on a timely basis to keep them running. That means changing their oil every 5,000 miles and getting the required state inspection where they usually

discover I need new brakes after about 20,000 miles (I'm very generous with the brakes with the exception of my current 2012 Toyota Prius V). I know that if I don't take the car for its timely maintenance to my mechanic Ralph, then I may incur more costly repairs later. If I don't change the oil filter, I can burn the engine and a failure to replace the brake pads timely can chew up my car's rotor (I've done that twice).

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

Don't be cheap when it comes to your retirement plan.

Being cheap is a recipe for disaster.

As I have stated so many times, I don't want to hire employees because I was an employee once too. That pretty much means that I never met an employee whoever thought they were overpaid. For that matter, I never met an employer who thought that they pay their employees too little.

Despite what my former colleagues at union-side law firms, employers typically don't have a treasure chest of jewels they are keeping away from their employees, it's just the dynamic of a relationship where an employee wants to make as much as they can and an employer wants to pay as little as possible. It's not evil, just human nature.



For those that never ran a business, they don't understand how costs of payroll and benefits must be tied to revenue because an employer's pocketbook is not limitless.

Thanks to medical costs and taxes, it's expensive to have employees. Employers are taking away benefits and not putting benefits out there that are really enticing to current and prospective employees. As an employee, regardless of where I worked, the health plan got worse and worse because medical costs are spiraling out of control and the employer had to rein in costs.

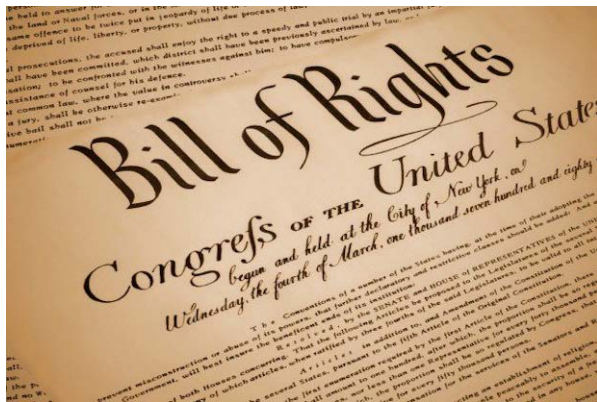
While employers may feel free to cut back on the benefits they offer, the one benefit that they can't afford to neglect is a retirement plan. An employer can certainly cut back on the contributions they make to their retirement plan(s), but they can't just cut back on the services to their plan by sticking the plan with a cheap provider (if they are the ones paying for administration, rather than the plan) if it's going to negatively affect the plan's administration and compliance.

The reason is because employers as plan sponsors are also plan fiduciaries too. So employers still may want to cut back on benefits, they need to make sure that they don't do something that could negatively impact their role as plan fiduciaries.

Any change of plan provider or even in a change in benefits should be done in consultation with your plan providers and/or ERISA attorney to make sure that any cutbacks in benefits you must make won't increase your plan fiduciary liability exposure.

Beware of those plan document restatement request.

Some people want to make a quick buck at the plan sponsor's expense.



Every 6 years or so, the Internal Revenue Service (IRS) requests that retirement plan documents be restated to comply with current law. While it's a great thing for ERISA attorneys and third-party administrators, it's not so great for plan sponsors who have to pay for it.

In the interim period between restatements, the IRS may require ancillary amendments, which are tack-on amendments with model language

to comply with a small change where the IRS wants an amendment, but not a full-blown restatement.

We're currently in the interim period and while there is a change in certain aspects of the disability retirement provisions that might require an amendment, there is no need for a full restatement. I recently saw a third party administrator tell an advisor whether they want to restate the plan document they didn't draft. Beware that there maybe plan providers out there that want to charge for a full restatement when a tack-on amendment will suffice. Plan documents are usually only restated when there is a change in the law, substantial plan changes, and when a plan sponsor leaves plan providers whose prototype document they rely on. Otherwise, they may be more for what they really don't need.

The Retirement Plan Tune-Up, now only \$500.

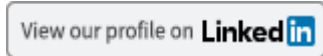
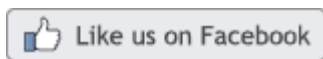
Spring cleaning sale ends March 31st

For 8 years now, I have been offering the Retirement Plan Tune-Up as the legal review where your retirement plan is reviewed through its plan documents, administration, investments, and costs. This review can be properly paid from plan assets.

While this review is normally \$750, in honor of Spring, and spring cleaning, I will be offering this review for \$500 until March 31st.



Please email me for more information and to find out more about the review, please find the link to the article above..



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