

## IMPORTANT YEAR-END DEADLINES FOR 401(k) AND 403(b) PLANS

### Safe Harbor Implementation Guidelines:

- 401(k) and 403(b) Startups or existing Profit Sharing only plans wishing to implement a Safe Harbor feature for the plan year ending December 31, 2018 **must have at least a 3 month plan year**, which would require the Safe Harbor Plan to be established, a Safe Harbor notice distributed, and deferrals started by October 1, 2018. *Please contact us immediately if you have a client wishing to set up a Safe Harbor Plan for the current calendar year.*
- Safe Harbor: Any plans (whether startup or conversion) wishing to add a Safe Harbor feature effective January 1, 2019 must **distribute a Safe Harbor Notice to participants no later than December 1, 2018**. It is imperative that our firm receives all required information timely to meet this deadline.

**Conversions:** As a reminder, for January 1, 2019 conversions, blackout letters generally will need to be distributed to participants by **November 15, 2018**. That means notification to the existing service provider and new provider installation paperwork should be completed before that date in order to establish a reasonable timeline. It is important that we obtain executed Service Agreements and fully executed most recent plan documents and all amendments by **October 12, 2018**. This should allow us time to collect current testing and reporting, design the restatement of the plan, and assist in the accurate completion of the provider's installation paperwork.

**Start-ups:** We would like to have an executed Client Service Agreement/Fee Schedule along with the set-up fee or deposit **by November 16, 2018** for a January 1, 2019 startup plan. Once received, we will coordinate the plan design, assist in completion of investment provider paperwork and prepare the plan documents and related forms. This will ensure that all parties involved, most importantly the Plan Sponsor and your team, will have sufficient time for a seamless and positive experience during the plan setup process, for employees to enroll, and to ensure that Plan Sponsors are ready to deduct deferrals from payroll.

Please note that the November 16th deadline above only applies to startup plans. Conversion plans are subject to legal timing requirements and would need to allow ample time for Blackout Notices and a Blackout Period.

**REMINDER:** Our New Comparability document permits the plan to specify that each employee comprises a separate group (rather than defining the groups in the document). The advantage of having each person in a separate classification is that the employer can determine which employees will be in a particular allocation rate group or add new groups on a year to year basis without needing to amend the plan. This adds a good deal of flexibility in attaining your client's Profit Sharing allocation goals.

As always, we appreciate your business and please do not hesitate to contact us if you any questions on this procedure. Thank you.