

Your 2021 Retirement Plan Stewardship Checklist

The first few months of the year are the ideal time for retirement plan sponsors and fiduciaries to reflect on all aspects of their company's retirement plan. What is working? What isn't? What improvements can be made? Below are fundamental areas on which to focus to promote good fiduciary, plan, and participant health in 2021 and beyond.

Stay current with changing regulations

In 2020, many retirement plan regulations received a makeover (varying from temporary to permanent) as a result of two major pieces of legislation: the SECURE Act and the CARES Act. Connect with your plan's service providers to ensure that you are positioned to adopt revised regulations that could affect your organization's retirement plan.

Examine participant savings rates

Analyze current participant balances and participation rates and compare them with historical participant benchmarks to determine whether your employees are saving enough. Pay special attention to employees who have stopped contributing to their 401(k) accounts due to the pandemic and nudge them to start saving again if possible.

Take a fresh look at your plan's design

When was the last time you took a close look at the features and benefits of your company's plan? If it's been more than a year or two, changes may be in order. Does the plan offer automatic features (if not, you may be able to take advantage of new tax credits made possible through SECURE Act regulations)? Has the design of the plan kept up with the needs of business owners, key stakeholders, and employees? Does the matching contribution provide an adequate incentive for employees to save on their own?

Tighten up the process for investments

Creating an investment policy statement (IPS) is the starting point for investment committees and plan fiduciaries. The selection, analysis, and, if needed, replacement of the plan's investments should follow the process prescribed by the IPS. If a reduced staff has thinned the amount of time and internal resources that can be devoted to

performing investment-related oversight, perhaps a change in approach is needed. schedule time with your plan's financial advisor to determine if a change in course is warranted.

Review plan fees and expenses

Ongoing expense monitoring and benchmarking are vital. Plan sponsors have a fiduciary responsibility to know whether fees charged to the plan by service providers are reasonable for the services they are rendering. Most industry experts recommend that formal benchmarking take place at least every two years. Your plan advisor can help you with a fee audit.

Document

Maintaining a well-organized 401(k) file (hard copy or virtual) of important plan documents, vendor correspondence, contracts, forms, and agreements not only helps you meet [ERISA record retention requirements](#), but it also helps prepare you in the event of an audit.

Critical Retirement Plan Dates and Deadlines

Workplace retirement plans are governed by various dates and deadlines that all 401(k) plan administrators should be keenly aware of.

Below are important dates to keep in mind in the upcoming year. Hopefully, you and/or your recordkeeper or third-party administrator already completed the January deliverables.

Please note: The list below is not exhaustive, and dates are based on a calendar-year plan.

January

15: Begin to prepare your plan's census data to ensure accuracy and completeness. Your plan's third-party administrator or recordkeeper will use this to perform upcoming nondiscrimination testing.

31: Form 1099-R due to participants to report 2020 distributions.

March

15: Deadline for ADP/ACP corrective distributions to be processed without excise penalty.

15: Fund employer contributions (for partnerships).

April

15: Deadline to distribute 2020 402(g) excess deferrals.

15: Fund employer contributions (for corporations).

July

31: Deadline to file IRS Form 5500 (or Form 5558, to request an extension for filing Form 5500).

September

15: Fund employer contributions (if extension was filed).

October

1: IRS deadline to establish a new safe harbor 401(k) plan for the current calendar year.

15: IRS extended deadline to file Form 5500 (for calendar year plans, if extension was filed).

November

1: Deadline to provide annual SIMPLE IRA plan notices to eligible employees (if applicable).

December

1: Deadline for providing annual safe harbor, qualified default investment alternative, and qualified automatic contribution arrangement notices to plan participants (if applicable).

31: Deadline for processing corrective distributions (excise penalty will apply).



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