Advisor Retirement Plan Update

QUARTER 4 2013

In-Plan Roth Rollovers and In-Plan Roth Transfers

For the past few years, plans with designated Roth accounts could allow an individual to roll over an amount from a non-Roth account into the individuals' designated Roth account in the same plan, but only the amounts the individual could have had distributed from the plan, usually because the individual had attained age 59 1/2 or stopped working.

In 2013, the IRS allowed 401(k) plans to permit this type of rollover for an amount that is not eligible for distribution at the time of the rollover, such as an amount in an individuals pre-tax elective deferral account when the individual is not eligible for a distribution from that account.

Unlike the Roth conversions announced in 2012 where the tax payment could be split over 2011 and 2012, any in-plan Roth transfers will be taxed in the year of conversion. If a plan wants to implement this new feature, it would require a plan amendment by the end of the plan year in which the conversions occurred. Call us for help!

For more information about how the repeal of the Defense of Marriage Act affects retirement plans, please see the featured article in our Q4 Plan Sponsor Newsletter.

NOBLE DAVIS CONSULTING, INC

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YOUR RETIREMENT PARTNER

How Can We Help You?

You know as well as we do, our clients are getting calls on a regular basis from other providers promising the sun, moon and stars, and the ability to "save them thousands of dollars a year". Just recently, we have been up against a few very aggressive proposals. One we were able to get in front of because the client gave us the heads up and shared the information with us. We then, together with the advisor, were able to do a true "apples to apples" comparison and show that the "great deal" really wasn't so great after all. Unfortunately we lost the other client because, even though they were totally thrilled with the service we provided, they were told that they could save thousands and thousands on costs. We never saw that proposal, but I bet if we had it could have been a very different result! The point of all this? Know that we can help you with a true, apples to apples, all in cost comparison, for our mutual clients as well as potential clients that you are trying to win. Just give us a call!

There are other things that we can help you with as well, such as helping you decide on an investment platform for your clients. Do you know …

- That we have our own in-house, open architecture daily platform? We trade with both Mid-Atlantic and Schwab, and pass back 100% of the revenue sharing payments received to help offset fees.
- We can work with most of the recordkeeping platforms out there, including John Hancock, American Funds and Transamerica. Some pay revenue sharing to us, others don't, but we always pass it back to the plan to offset fees.

We consider you our business partners and will always try to do what we can to help you ...whether that be with a current mutual client (by attending an annual meeting, helping with an employee communication meeting, etc.), a prospect (by preparing a proposal, participating in a meeting or phone conference to answer the 401 (k) technical questions) , or just by using us as a resource ("my cousins wife has a brother who has a plan, and they told him…") You get the idea. Call us, we're here to help.

And don't forget that we have some great tools out on our website for you and our clients to use. PlanSponsorLink is the secure portal where we post all of our participant statements, valuation reports, etc. which you have access to. For our Daily Clients, there is the Plan Sponsor Web, where you can log on as the advisor and obtain plan & participant information, print reports, etc. and also new to the site is MyRetirement , a feature that helps daily plan participants determine how much they need to save for retirement and how to get there. Call us if you need login information or more information on any of these services.

Thank you so much for your business. Wishing you the happiest of holidays, and a joyful, healthy, and prosperous New Year!