

The Pension Specialists, Ltd.

Retirement Plan Third Party Administrator



Spring, 2001

Plan Trustee News

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Retirement Plan Restatement Coming in 2001!!

Since 1993, Congress has passed several tax acts affecting qualified plans. Due to this legislation, plans must be rewritten entirely or "restated" as the government refers to the process.

Many of these law changes are advantageous to employers maintaining a retirement plan. However, all retirement plans will need to incorporate the law changes into your retirement plan documents. You may also wish to redesign your plan at this time to meet your company goals.

The restatement process for all retirement plans will begin in early 2001!

More Information Coming Soon on Plan Restatements!

The Pension Specialists, Ltd. will be sending you more information soon about this restatement process.

New IRS Limits for 2001

Maximum Annual Contribution to an Individual's Defined Contribution Account under Section 415	\$35,000
Maximum Elective Section 401(k) and Section 403(b) Deferrals	\$10,500
Maximum Compensation for Determining Benefits or Contributions under a Qualified Plan	\$170,000
Test to Identify Highly Compensated Employees	\$85,000
Maximum "Simple" Deferral	\$6,500
Taxable Wage Base	\$80,400

Simplified Required Minimum Distributions

Do you have plan participants who receive age 70-1/2 required minimum distributions from your retirement plan? The IRS published new simplified proposed regulations in January about these distributions.

These distributions must begin by April 1 of the year following the later of: the year the participant attains age 70-1/2, or the participant's termination of employment. Employees who are 5%

ThePensionSpecialists, Ltd Services

Consulting Services

- Design Consultation
- Feasibility Study
- Employee Survey
- Document Design
- Communication & Enrollment
- Human Resources

Administration Services

- Documentation/IRS Submission
- Participant Recordkeeping
- Compliance Testing
- Discrimination Testing
- Continued below

owners of the company must begin receiving distributions following age 70-1/2, even if they are still employed.

The new rules will decrease the amount required to be distributed each year. Qualified plans may adopt these new rules beginning in 2001. However, in order to elect this new simplified procedure, a model amendment must be adopted.

Contact The Pension Specialists, Ltd. for further information or assistance on required minimum distributions.



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ADDRESS CORRECTION REQUESTED

ThePensionSpecialists, Ltd Services

Administration Services, con't

- Actuarial Valuation
- Government Filings
- Termination Services
- Human Resource Administration
- Payroll Administration

Communication Services

- Group Orientation Meetings
- One-on-One Enrollments
- DOL 404(c) Compliance
- Employee Booklets

About The Pension Specialists, Ltd.

The Pension Specialists, Ltd. is an independent retirement plan administrator. Our mission is to provide the highest quality services to assist clients in reaching their objectives.

Formed in 1987, we have grown to service over 930 employer retirement plans, with services covering over 25,000 plan participants with over \$350 million of retirement plan assets. We consult with clients to implement plans and proactively service our clients to

maintain interactive communication, maximize benefits and solve problems. Our in-house staff performs all plan administration.

The Pension Specialists, Ltd. provides services to many well known companies, which include Broker Dealers, Investment Firms, CPA Firms, Law Firms, Medical Groups, Hospitals, Engineers and Retail Businesses.

For more information about The Pension Specialists, Ltd., contact us at 815.394.5500 or toll-free at 800.963-5501, or by email at CustomerService@401kadmin.net

