

WP&BC PORTLAND CHAPTER

LEGISLATIVE/DOL/IRS UPDATE

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FINAL, FINAL FIDUCIARY RULES

- Investment fiduciary rules become effective April 10, 2017
- Covers “recommendations” regarding IRA rollovers and investment manager
- Recommendation = suggestion

NEW FIDUCIARY RULES

- DOL issued first of a series of FAQs (10/27/16)
- Primary focus on BIC Exemption
- May be pulled back by new President

NOTABLE FAQ GUIDANCE

- Okay
 - Escalated compensation based on revenue production
 - Discretionary discounting of fees
 - Recommendation to transfer from commission-based account to level fee
- Not okay
 - Rollover recommendations in absence of plan information

2017 BENEFIT LIMITS

- Deferral limit stuck at \$18,000
- Catch-ups stay at \$6,000
- HCE stays at \$120,000
- Key employee moves to \$175,000
- Compensation limit increases to \$270,000
- 415 limit bumped to \$54,000

ERISA CHURCH PLAN EXEMPTION

- ERISA says that exemption applies if plan is “established or maintained” by church
 - 1983 change sort of says that exemption applies if plan is administered by organization affiliated with church if operated by church-associated organization
- Federal court holdings
 - Plan must have been established by church

409A REGULATIONS

- Accelerated Payment of installments upon death
- Delayed payments upon death
- Accelerated payment upon beneficiary's death
- Permissible delayed payment following change of control for stock-based comp
- Separation of service upon change in status

PBGC MISSING PARTICIPANT PROGRAM

- Proposed regulations issued on 9/20/16
- Covers terminated
 - Multiemployer plans
 - Non-PBGC DB plans
 - DC plans
- For DC plans, employer would either:
 - Transfer accounts to PBGC; or
 - Tell the PBGC where the money was sent

OREGON RETIREMENT SAVINGS PLAN

- July 1, 2017 rollout for voluntary pilot group
- 5% initial deferral rate
- 1% auto escalation (to 10%)
- All Roth (after-tax) contributions
- Can withdraw at any time
- Age 18 minimum age

OREGON RETIREMENT SAVINGS PLAN

- Exempt Employers
 - Employers that offer a qualified plan to all of its(their?) employees
- Registration required with Board

PENDING LEGISLATION

- 45 Federal bills currently pending
- Common themes
 - Tax-free qualified charitable IRA withdrawals (PATH)
 - Automatic savings fund (MyRA Accounts)
 - Repeal of final fiduciary rule
 - College savings incentives

PENDING LEGISLATION

- Favorite Titles
 - Lost and Found Act
 - Keep our Pension Promises Act
 - Revolving Door Prevention Act
 - Let Seniors Work Act

PENDING LEGISLATION

- Retirement Enhancement & Savings Act (RESA)
- Permits pooled employer plans (PEPs)
- Eliminates safe harbor notice for 3% QNECs
- Eliminates 6-month deferral suspension for hardship withdrawals
- Allows hardship withdrawals on earnings
- Requires statement of annuitized benefit

PENDING LEGISLATION

- Women's Pension Protection Act
 - Sen. Murray, D-WA
- DB spousal protections to DC plans
- Amend participation rules to address long-term part-time workers
 - Eligible after completing 500 hours over 3 consecutive years

QUESTIONS