

2023 Spring
Edition



THE
Contractors
PLAN®
Provided by Fringe Benefit Group

RETIREMENT NEWSLETTER

GREETINGS

Welcome to the Spring edition of The Contractor Plan Newsletter. We hope you are enjoying the warmer weather along with an uptick in projects. Remember that we are here to help you navigate through any retirement question or challenge you may face.

Contact us at contractors@fbg.com with any questions about your retirement plan.

IMPORTANT DATES

May or June:

Varies. New Service Contract Act (SCA) Health & Welfare benefit rate normally published at www.dol.gov.

June:

Beginning to Mid-June - Force outs will be processed for plans that allow the feature.

Please see page 4 for the full 2023 Compliance Calendar.

July:

31 Deadline for filing Form 5500 unless an extension is filed. We automatically file extensions as needed.

INSIDE

- Two-Factor Authentication
- Data Integrity
- Electronic Delivery
- Market Commentary
- Regulatory Update
- Compliance Calendar

TWO-FACTOR AUTHENTICATION

As part of our continued commitment to employee data security, Two-Factor authentication (2FA) will be implemented at the employee level beginning June 1, 2023 on our benefits administration platform. Similar to what has been implemented on the employer level, employees will be sent an authorization code after their username and password have been entered as part of the current log in process. The employee will receive the code via email. That code must be entered for the employee to proceed to their account. Please note that this will only be needed once each twenty-four hour period.

Scammers use a variety of methods to steal passwords, including malware, phishing emails and text scams. Approximately one billion consumer records were exposed in data breaches over the past 12 months! Our top priority is to ensure all information (regardless of where it is stored) remains safe and protected.

Two-Factor authentication is commonly used by financial institutions, email, internet and streaming service providers and countless other companies, both large and small. This method is considered more effective in protecting against unauthorized account access than a password alone and is recommended by the Employee Benefits Security Administration (EBSA).

DATA INTEGRITY

We have all heard the phrase "garbage in, garbage out". Usually, this phrase means that if the data sent in a file to process is inaccurate or incomplete the outcome will be too. This is true for retirement data as well. It is very important to follow the file specifications for contributions and census files so that these files can be processed in a timely manner. The more complete, accurate, and consistent the information sent to us, the more quickly data can be processed. If you ever have any questions about the file specifications or how to create the files, we are here to help you. Contact us at contractors@fbg.com for more information.

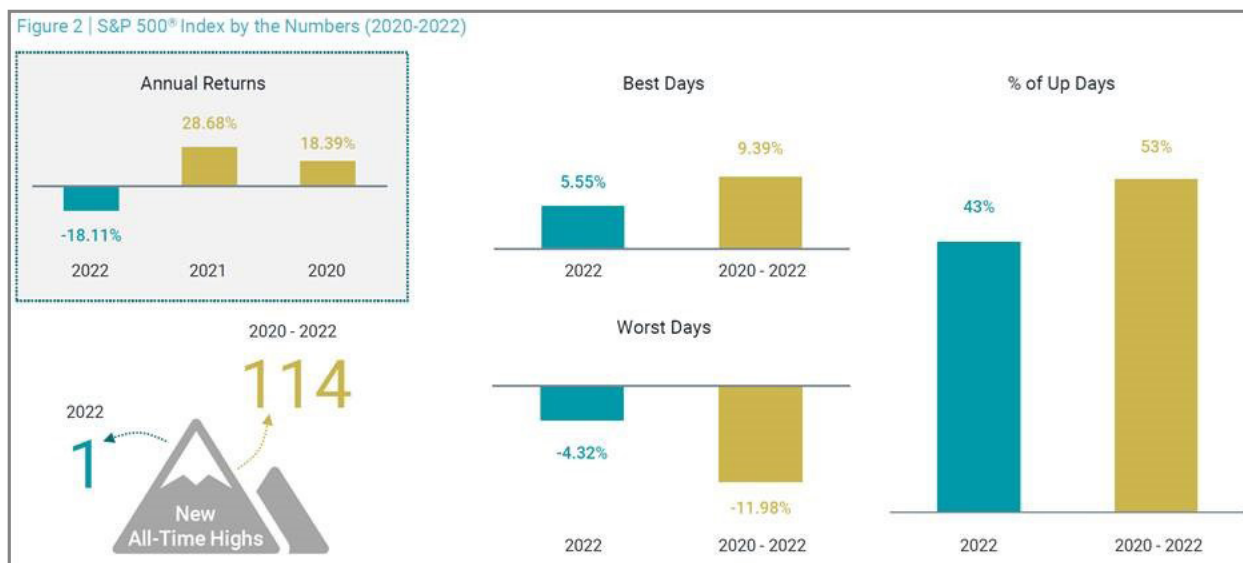
ELECTRONIC DELIVERY

One of the product upgrades we are working toward in 2023 is the ability to send required retirement notices to participants electronically. To do that we need email addresses. Email is a field on the census and contribution files. Please consider including this information when you submit those types of files. The email address used should be the employees' personal email and not tied to the company. Email is already required to set up an online account, but as the industry moves toward more electronic communication, we would like you to be prepared as this capability will make it easier for you to administer your plan.

MARKET COMMENTARY BY LEAFHOUSE FINANCIAL

Last year marked a volatile period for investors in both stocks and bonds. The S&P 500 index ended 2022 with a return of -18.11% with the Bloomberg U.S. Aggregate Bond index at -13.01%. This follows the years 2020 and 2021 with returns of 28.68% and 18.39%. To put this into perspective over the past three years, S&P 500 remains up 24.79%. This is much higher than the historical average of 9.65%.

This adds to the theme of remaining invested throughout all types of markets and not try to time the market. The figure below reflects how quickly the market can fluctuate, and the risk involved with exiting during volatility.



As we move into 2023 and beyond, volatility will continue to be a part of the nature of investing but the accumulation of wealth over time is critical to help achieve a comfortable retirement.

LeafHouse is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about LeafHouse's investment advisory services can be found in its Form ADV Part 2, which is available upon request. Material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed.

REGULATORY UPDATE

The SECURE Act 2.0 can be difficult to navigate. To help you, The Contractors Plan has created a PDF with some of the key provisions for your convenience. We are continuing to learn about the impacts and administration of the many provisions of the SECURE Act and will provide updates to the chart as we move forward. Visit The Contractors Plan blog on the website <https://contractorsplan.com/> and feel free to download and save the current chart document for your use.

2023 RETIREMENT PLAN COMPLIANCE CALENDAR

JANUARY

Mid-January - Annual Form 5500 Questionnaire emailed to clients.

FEBRUARY

8 Deadline to return annual testing packets for plans with HCEs* that have Roth or pre-tax deferrals.

MARCH

1 Deadline to return annual testing packets for plans that are safe harbor or have HCEs* receiving prevailing wage or other employer contributions.

Beginning to Mid-March - Form 5500 audit packets emailed.

15 Deadline for processing ADP refunds for 401(k) plans without incurring a 10% excise tax.

15 Standard deadline to deposit discretionary employer contribution unless an extension is filed for Partnerships and S-Corporations.

APRIL

15 Deadline for issuing excess deferral refunds for 401(k) plans.

15 Standard deadline to deposit discretionary employer contribution unless an extension is filed for C-Corporations and Sole Proprietors.

Mid to End of April - Communication will be sent to update census for plans that allow force outs.

MAY or JUNE

Varies. New Service Contract Act (SCA) Health & Welfare benefit rate normally published at www.dol.gov.

JUNE

Beginning to Mid-June - Force outs will be processed for plans that allow the feature.

JULY

31 Deadline for filing Form 5500 unless an extension is filed. We automatically file extensions as needed.

AUGUST

15 Deadline to request discretionary employer contribution calculation, if company tax return is extended.

SEPTEMBER

15 Deadline for Partnerships and S-Corporations to deposit discretionary employer contribution, if company tax return is extended.

30 Standard deadline to distribute Form 5500 Summary Annual Report to participants.

OCTOBER

15 Deadline for C-Corporations and Sole Proprietors to deposit discretionary employer contribution, if company tax return is extended.

15 Extended deadline to file Form 5500.

Mid to End of October - Communication will be sent to update census for plans that allow force outs.

NOVEMBER

2nd Week Annual testing questionnaire emailed to employers.

15 Safe harbor notices mailed to employers.

30 Deadline to request projections for 2022.

30 Deadline to return annual testing questionnaire.

CALENDAR CONTINUES ON NEXT PAGE

2023 RETIREMENT PLAN COMPLIANCE CALENDAR (CONTINUED)

DECEMBER

1 Deadline to provide annual 401(k) safe harbor notice to participants for 401(k) plans operating under the safe harbor provisions.

1st Week Annual testing questionnaire follow-up emailed to employers.

10 Deadline for requesting plan amendment to be signed by end of year.

Beginning to Mid-December - Force outs will be processed for plans that allow that feature.

Mid-December - Annual testing packets are emailed to clients from The Contractors Plan for plans with HCEs* receiving contributions.

15 Deadline to distribute Summary Annual Report to participants, if the 5500 filing was extended.

31 Deadline for each of the following:

- Process ADP refunds with 10% excise tax for 401(k) plans.
- Sign amendment to convert existing 401(k) plan to a safe harbor 401(k).
- Deposit top heavy employer contributions for prior plan year.
- Sign any plan amendment for discretionary changes.
- Sign amendment to remove safe harbor status for the following year.
- Deposit safe harbor contributions for prior plan year.

ALL DEADLINES ARE BASED ON CALENDAR YEAR PLANS. IF YOU HAVE AN OFF-CALENDAR YEAR PLAN, PLEASE CONTACT US TO DISCUSS DEADLINES APPLICABLE TO YOUR PLAN YEAR END.

* Generally greater than 5% owners, their family, and those who earned at least \$130,000 in the prior year are HCEs.