RETIREMENT Times

July 2018

Exchange Your Old Retirement Solutions for New Ones

Jonathan Coombs, Investment Analyst

What is an Exchange?

An exchange is a turnkey solution for businesses that allows you to provide the benefit of a retirement plan while offloading much of the administrative and fiduciary responsibilities at a potential cost reduction. A team of professionals work together on your behalf so you can focus on running your business, not your retirement plan. Heritage Institutional and Argent Institutional have a proprietary Exchange called “Argent Advantage.”

Retirement Readiness

An exchange is a great way to help your employees reach retirement readiness by providing them with a savings vehicle like a 401(k) plan, but with less administrative burden and by transferring certain risks.

Fiduciary Risk Mitigation

The fiduciary has a legal obligation to carry out its plan responsibilities with prudence, good faith, honesty, integrity, service and undivided loyalty to beneficiary interests – in this case, retirement plan participants. When joining an exchange, a fair amount of fiduciary responsibility is taken off your hands.

Administrative Relief

Employers oftentimes don’t have the resources to effectively manage the complex requirement of administering a qualified retirement plan. With an exchange all plan administrative duties can be outsourced – a benefit typically only available to very large companies.

Cost Effectiveness

There’s strength in numbers. By teaming up with other businesses in an exchange, you can benefit from economies of scale and seamless processing that help reduce the costs associated with operating and maintaining a retirement plan.

For more information on exchanges and the Argent Advantage, please contact Brad Knowles, Chris Shankle, or Linde Murphy.

About the Author, Jonathan Coombs

Jonathan provides guidance to plan sponsors across the country on retirement best practices regarding fee benchmarking, investment analysis, plan design, fiduciary compliance and participant outcomes. As an asset allocation specialist, Jonathan project manages key business development initiatives in the custom solution arena. He also serves as a fixed income analyst. Jonathan attended The Julliard School, where he obtained a Bachelor of Science in music and a Master of Music.

Tips for Preventing Uncashed Retirement Checks

Managing uncashed retirement checks may be considered a nuisance by plan administrators. Nevertheless, the employer still has fiduciary responsibility when a former employee fails to cash their distribution. Search efforts to locate a missing plan participant consume time and money and may fail to locate the participant. Likewise, going through the process of turning over dormant accounts to the state can also consume time and resources.

Decrease the burden of uncashed checks by:

1. Discussing with terminating employees during the exit interview the options for their retirement plan. Employees may forget they have a company-sponsored retirement plan, or don't know how to manage it.
2. Reminding departing employees that they can roll over their retirement assets into their new employer's plan. Your plan's service provider or the new employer can answer questions the former employee may have about the rollover process.
3. Letting employees with an account balance of $1,000 or less know they should expect to receive a check in the mail after a certain amount of time.
4. Having the employee verify their current address to where the check can be sent.

Remember, fiduciary responsibility and liability extends to terminated employees with assets in the plan. This responsibility includes delivery of all required distributions and all fiduciary prudence responsibilities. Stay in touch with this important group.

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Hey Joel! – Answers from a recovering former practicing ERISA attorney

When does the five-year clock start for Roth withdrawls?

- Tick Tock in Tennessee

Dear Tick,

For most investors, it's important to know that there is a five-year waiting period for tax-free withdrawals of earnings, and it is applied differently, depending on if you made Roth IRA contributions, converted a traditional IRA to a Roth, rolled over Roth 401(k) assets or inherited the Roth account.

The five-year clock starts with your first contribution to any Roth IRA—not necessarily the one from which you are withdrawing funds. The clock rule also applies to conversions from a traditional IRA to a Roth IRA. (Rollovers from one Roth IRA to another do not reset the five-year clock.) Once you satisfy the five-year requirement for a single Roth IRA, you're done. Any subsequent Roth IRA is considered held for five years.

If you have a Roth 401(k), those have their own clock (Treasury Regulation 1.402A-1, Q&A-4(b)). If you open a new 401(k) with a new employer, that Roth 401(k) has its own clock. If you move an older 401(k) to a newer 401(k) with a new employer, the old clock is the one that counts. In other words, I would keep the Roth money from a 401(k) plan separate from other ROTH IRAs to avoid issues over whether the five-year clock has expired.

The Count,

Joel Shapiro

About the Author, Joel Shapiro, JD, LLM

As a former practicing ERISA attorney Joel works to ensure that plan sponsors stay fully informed on all legislative and regulatory matters. Joel earned his Bachelor of Arts from Tufts University and his Juris Doctor from Washington College of Law at the American University.

If you have a question for Joel, please send it to your plan advisor. It may be featured in a future issue!

Monthly Financial Wellness Webinar

Thursday, June 19, 2018 at 3:30pm CST

For our July financial wellness webinar, we are joined by **Sharon Carson** (JPMorgan) who will discuss breaking through the myths to reveal the trade-offs related to claiming Social Security.

As saving for retirement is primarily the responsibility of the individual, it is crucial to understand the benefits of the program and to make informed decisions about when to claim. This presentation will provide: Social Security basics, 5 key considerations when making a claiming decision and claiming timing trade-offs.

This month's financial wellness speaker is Sharon Carson, a Retirement Strategist on J.P. Morgan Funds Individual Retirement team.

Sharon is responsible for developing and delivering personal retirement-related insights to financial advisors. She has a successful track record of synthesizing complex topics including Social Security, healthcare and retirement income investment strategies. She has over 20 years of experience in the financial services industry, with a focus on retirement during the past 10 years in various roles spanning strategic planning, innovation, and program management.

If you were unable to join us for our June webinar, or if you wish to watch it again, the recorded webinar is always available for you and your plan participants. Link: https://stme.in/qxVddd4MrP

We hope you can join us **Thursday, July 19, 2018 at 3:30pm CST**

Dial-in number (US): (701) 801-1211
Access code: 514-782-796
Online meeting ID: heritagera
Join the online meeting: https://www.startmeeting.com/join/heritagera

Call or email your plan consultant if you have questions or need assistance.

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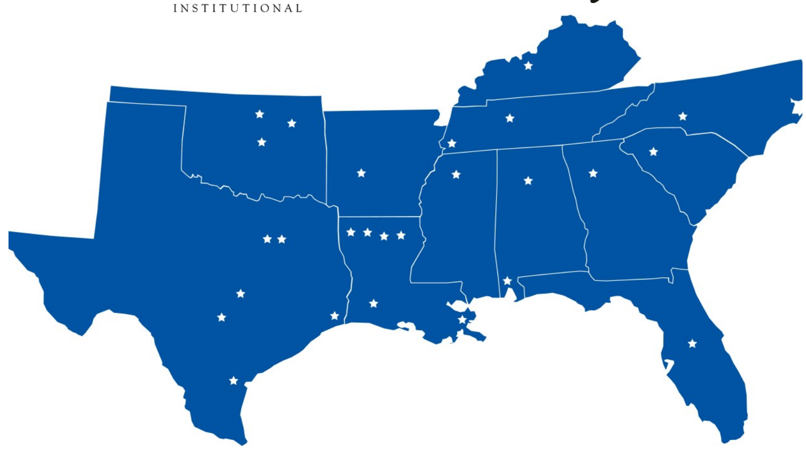

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