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CLIENT REFERRAL PROGRAM:

If a client you recommend to us becomes our client, you can receive a 10% discount on annual services for every year they remain a client

The PRS Report

2021 Pension Plan Limits

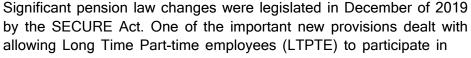
The Internal Revenue Service and the Social Security Administration have recently announced the 2020 Pension Plan cost-of-living increases. For your convenience and reference, they are listed below, along with the 2019 limits, which are shown for comparison purposes.

	ITEM	2021	2020
1.	Maximum contribution to a 401(k) Plan	\$ 19,500	\$ 19,500
2.	Additional 401(k) Plan Catch-Up Contribution (for participants age 50 and over)	6,500	6,500
3.	Maximum Profit Sharing Plan contribution for a participant*	58,000	57,000
4.	Maximum 401(k) and Profit Sharing Plan contributions for a participant age 50 or older*	64,500	63,500
5.	Maximum Defined Benefit Pension Plan Benefit (Dollar Limit payable at ages 62 to 65)	230,000	230,000
6.	Maximum compensation that can be used for Plan purposes	290,000	285,000
7.	Highly Compensated Employee Compensation Threshold	130,000	130,000
8.	Social Security Taxable Wage Base	\$ 142,800	\$ 137,700

* Please note that the defined benefit contribution may be higher than the maximum profit sharing and 401(k) amounts shown above. Please contact us if you want to contribute more than these amounts.

As part of the services we provide, we will automatically incorporate any applicable cost-of-living increases when we prepare your 2020 valuation. These changes may increase the contributions to your company's Plans. In addition, they may also help employers increase the contribution for the principals relative to the other plan participants. Do not hesitate to contact us if you would like to change (either increase or decrease) your 2020 contribution or if you have any questions. The earlier we know, the more alternatives that may be available. Let us know what you want.

Part-Time Employees and 401(k) Plans





the 401(k) plans their employers sponsor. The new law stipulates that the earliest a LTPTE can start participating in the plan sponsor's 401(k) plan is January 1, 2024.

Employees who have three consecutive years of working 500 to 999 hours for an employer will be allowed to make 401(k) deferrals beginning January 1, 2024. The plan sponsor may elect to exclude these participants from non-discrimination and coverage testing and from top-heavy rules. Alternatively, the plan sponsor may elect to provide matching or non-elective contributions for these LTPTEs, vesting these contributions based on 500 rather than 1,000 hours.

In order to determine if an employee is eligible to make 401(k) contributions in 2024, beginning in 2021, plan sponsors must track all employees' hours worked during each year. To be eligible to make 401(k) contributions in 2024, an employee must work at least 500 hours for three consecutive plan years, i.e., in 2021, 2022, and in 2023. An additional requirement is that an employee must have attained age 21 by the end of the three-year period.

You are being notified of these changes because starting in January of 2021, both you and Pension Review Services will need to keep track of your employees who work less than 1,000 hours a year. The Data Request package we send every year requires you to complete an employee census, and we always ask you to include every employee who is on the payroll, whether they are part-time or full-time. When you include all the part-time employees on the census, we will be able to keep track of those employees who will be eligible to participate in the 401(k) plan in 2024.

Important Reminder for 401(k) Plan Sponsors



401(k) Plan Sponsors must give participants the opportunity to change their elections at least once a year. Therefore, it is a good idea to distribute election forms every December (for calendar-year plans) to all eligible employees whether they currently make 401(k) contributions to the Plan or not. Particularly for those employees currently not contributing to the Plan, it is important to get back a signed and completed election form showing the

non-election choice. Plan Sponsors should keep these election forms on file. In case of a plan audit, not having election forms for a plan with either minimal participation or only owner participation will raise all sorts of red flags.

If a participant elects to make 401(k) contributions, you should coordinate the participant's election with your payroll provider and establish an account with the Trust for the participant's 401(k) contribution deducted from payroll. By non-highly compensated participants contributing more in 401(k), non-discrimination test results will improve, thereby possibly enabling the company to save money in employer contributions.

Data Packages Coming Soon



Just to remind you that we will begin uploading calendar year plan Data Packages to your ShareFile portal in early January. You will receive a notification via email that the package is available. Please open up the Instructions to view your deadlines. The packages for non-Safe Harbor 401(k) Plans need to be returned to us by the end of January so that ADP testing can be done.



This year has presented us with unprecedented challenges. Who ever imagined that we would be working in our homes instead of in the office? Our employees worked with amazing focus and dedication so that they were available to our clients and to each other, as always. Harnessing the available technologies so that we could talk on our office phones at home, remote into our office computers to do our work, have Zoom office meetings to keep up-to-date on all the new legislation affecting pension plans and to communicate our progress and problems in meeting the deadlines for all our client work, and finally, acclimating to a hybrid schedule of working part of the week at home and part of the week at the office, we persevered and succeeded. And so, all our deadlines were met, and we are revving up for the new pension plan year cycle to begin anew.

We congratulate you, our clients and your advisors as well, for prevailing in your own challenges, and we thank you for giving us the opportunity to provide services on your behalf. May things begin to improve in 2021 until we are back to normal. We wish you, your staff, and your family a happy, prosperous, and most of all, healthy 2021!



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