



President's Message



As we all return to the more regular patterns of the Fall, I hope you once again find time to make time to be an active member of the Orange County Chapter of the Western Pension & Benefits Council (WP&BC).

With your help and continued support, the Chapter continues to thrive. At present, the Chapter has 26 individual members, 18 corporate members and 10 sponsors. Last year the Orange County Chapter reached an all-time high in members and we are on-track to do the same this year.

I also hope you will be able to make your way to Andrei's Restaurant in Irvine on Thursday, September 20, as we kick-off our 2018-2019 Program year with a "Washington Update" from Stephen Forbes, a long-time speaker to this and other Chapters of the WP&BC. Steve will be providing the latest updates on a variety of administrative developments from Washington that impact retirement plans, including updates on coordinated efforts from the IRS, DOL and PBGC regarding

"missing participants" and the general requirement that tax-qualified retirement plans begin to pay benefits at normal retirement. If you are interested in knowing what topics will be covered in future breakfast forums a listing of topics and speakers can be found on page 7 of this newsletter.

The Chapter is also the grateful beneficiary of the efforts and support provided by its volunteers. In particular, I'd like to call out the long-standing contributions made to this Chapter by Alison Fay and Stuart Hack. Alison is celebrating her 20th anniversary as a former Chapter President and member of this Chapter's Board. Stuart, a past Chapter President, returns to be a formal part of our three-person Program Committee, who along with Marilyn Thompson and Cindi Grossinger, deserves much praise for putting together a strong schedule of topics and well-regarded speakers.

Finally, please remember that membership in the WPBC represents a great value. Membership provides for discounted access to terrific continuing education



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A Message From Our President

content. And attendance at a breakfast forum or technical lunch session also provides a great opportunity to meet or reconnect with your fellow Southern California retirement professionals.

We are looking forward to the upcoming 2018-2019 program year with great enthusiasm. And I look forward to seeing you participate!

Hitz Burton, Partner, Legal Consulting & Compliance
Aon
Orange County Chapter President

In 2017-2018 the Orange County Chapter grew by 25% to our largest ever!

Don't Miss the Opportunity to Grow with us!

For a 2018-2019 membership, join now!



The benefits of membership in our Chapter include:

- **Members** are listed in our online membership roster
- **Members** have access to the rosters of all chapters of the WP&BC as well as access to the **Members-only** areas of the website
- **Members** receive **discounted registration** fees to Chapter events—our Breakfasts, Technical Lunch Forums, Seminars, the webinars and Annual Conference!!
- **Members** may use the **Free Guest program** to bring clients to Chapter events

Our Chapter is dynamic! Our events provide high-quality education, continuing education credit for a number of certifications, and great networking opportunities. [CLICK HERE](#) to visit the membership page of our website to review the membership opportunities for 2018-2019.

Ready to support our Chapter at a higher level? Become a Sponsor! Sponsors receive recognition throughout the year in our announcements and newsletters, on our website and at our Breakfast Forums. Visit the Sponsor page of our website. Questions? Contact Marti: info@wpbcorangecounty.org or (949) 859-6277.

CONTINUING ED CREDITS

LOOKING FOR CONTINUING EDUCATION CREDITS?

The WP&BC meetings are a great way to earn them! Our meetings are approved for the following CE credit: (Coming soon JBEA)

AIF	ASPPA	CEBS	CPA (California)
CFP	ERPA	MCLE (California)	NIPA

Member Profile



Name: Joel Mee
Company: The Standard
Job Title: Retirement Plan Consultant
Years in the Industry: 28 years
First “real” job: Reception Desk at a Title Insurance Company
Education: B.S. in Finance, Montana State University

Business Background

Nature of your work: Supporting financial professionals in the development and delivery of qualified retirement solutions to their clients. Helping financial professionals with qualified plan business development and practice management.

How you got into the field: After working for 25 years in our home office, the opportunity to represent The Standard in the field was too tempting to pass up.

What you like about the field: The feeling of appreciation from financial professionals and their clients when I am able to help solve a complicated problem.

Why did you join the WP&BC?: There is not a better network of folks that speak my language and share my passion for this industry.

Personal Background

Ways you spend free time: Gardening, skiing, hiking and movies

Guiding philosophy: Leave every interaction with the person feeling like it was a positive experience.

Favorite charity: Those focusing on LGBTQ youth and elder services

Last book read: The Subtle Art of Not Giving a F*%\$

Restaurant recommendation: Sancho’s Taco’s – Huntington Beach

What will you do when you retire: Travel



Ask The Expert



Stephen W. Forbes JD, LLM
Principal,
Forbes Retirement Plan Consulting



Elective Deferral Corrections: Safe Harbor vs. General Correction Methods

One of the more challenging aspects of a 401(k) plan is administering elective deferrals. Administering the elective deferrals requires careful coordination between the employee, employer, payroll company and plan trustee. The most common elective deferral failures are the:

1. improper exclusion of an eligible employee, and
2. failure to implement a participant's deferral election.

An improper exclusion generally occurs when the employer or administrator misapplies the eligibility conditions or employee exclusion provision. An employer may simply fail to implement a participant's election, fail to apply it to certain items of compensation (e.g., bonus or overtime), or use an incorrect definition of compensation. Regardless of the failure, the correction should be the same.

To encourage employers to correct plans with elective deferral failures, the IRS amended EPCRS to add additional safe harbor correction methods. Although referred to as safe harbors, these new correction methods apply to both safe harbor and traditional 401(k) plans. The additional safe harbors reduce the correction costs but make correction more confusing because practitioners often struggle determining which method to apply. Typically, employers will use the safe harbor correction methods unless it does not satisfy the conditions.

Under the safe harbor correction method for elective deferral failures that exceed three months and do not extend beyond the SCP correction period, the employer may correct an elective deferral failure by making a corrective QNEC contribution of 25% (rather than 50%) provided the employer satisfies the following conditions:

1. The employer provides the employee the opportunity to make elective deferrals not later than the earlier of (1) the last day of the second plan year following the plan year of the failure, or (2) if the employer was notified of the failure, the first payroll date on or after the end of the month after the notification;
2. The employer provides a notice of the failure to the affected participants not later than 45 days after the date on which the employer implements the participant's deferral election; and
3. The employer makes a corrective matching contribution (if any) plus earnings equal to the matching contributions that would have been allocated under the plan terms.

Under the safe harbor brief exclusion correction method, an employer may correct an elective deferral failure without making a corrective QNEC contribution. Unlike the general brief exclusion rule, the safe harbor rule applies both to an improper exclusion and a failure to implement a deferral election. The safe harbor brief exclusion rule applies if the employer satisfies the following conditions:

1. Correct deferrals begin no later than (1) the first payroll date on or after the last day of the three-month period that begins when the failure first occurred; or (2) if the employer was notified, the first payroll date on or after the end of the month after the notification.
2. The notice requirement and the corrective contribution for the match are the same as the previous safe harbor correction method.

Ask The Expert

The first chart outlines when to apply the safe harbor correction method and when to apply the general correction methods. The second chart outlines how to calculate the corrective distribution.

Elective Deferral Failure Corrections

Correction Method	Correction Time Period	Corrective Contributions	Notice Required
General Brief Exclusion Rule	First 3 months of the plan year	0%	No
Safe Harbor Brief Exclusion Rule	Rolling 3 month period	0%	Yes
General Correction Method	No limitation	50%	No
Safe Harbor Correction Method	Beyond 3 months but not beyond the second PY following the failure	25%	Yes
General Correction Method for Qualified Automatic Contribution Arrangement	No limitation	50%	No
Safe Harbor Correction for Plans with Automatic Contribution Arrangement	Earlier of: 9½ months after the PY of failure, or the last day of the month following EE notification	0%	Yes

Calculation of Corrective Contributions

	Traditional 401(k) Plan	Safe Harbor 401(k) Plan
Missed deferral (improper exclusion)	ADP% for the group to which the EE belongs (NHCE or HCE)	The greater of (1) 3%, or (2) the highest rate of deferrals at which the plan matches 100%
Missed deferral (failure to implement)	Participant's deferral election	Participant's deferral election
Automatic Contribution Arrangement (missed deferral)	Automatic contribution provided for in plan document for the PY	Automatic contribution provided for in plan document for the PY
Match	Plan's matching formula applied to missed deferrals	Plan's matching formula applied to missed deferrals

WP&BC Orange County Statement of Purpose

The Orange County Chapter of the Western Pension & Benefits Council promotes an exchange of information and ideas among employee benefits professionals. Our members include ERISA attorneys, CPAs, third party administrators, investment industry benefits specialists, actuaries, benefits consultants and plan sponsors' in-house benefits professionals.

Through the monthly breakfast forum presentations and periodic technical lunch forums, the Orange County Chapter provides a forum for dialogue between its members. These meetings encourage full audience participation and exchange of practical solutions to technical issues. Benefit professionals lead the meetings, with an emphasis on topics reflecting current benefit trends and regulatory guidance.



These lucky winners had the opportunity to take a Tesla home for the evening! Pictured from the left: Andy Hermann, Empower; Jason Shepherd, guest of Kerri Lloyd, State Street; Shannon Main, Fiduciary Retirement Advisory; Chad Curtis, CrossPlans.



All these members and more had an opportunity to test drive a Tesla. Needless to say, a good time was had by all!

Winter 2018 Calendar of Programs

All Breakfast Forum Meetings will be held at
Andrei's Restaurant
2607 Main Street
Irvine, CA 92614

Our slate of speakers and topics is subject to change throughout the year. To find the most current information about upcoming meetings, visit www.WPBCOrangeCounty.org, then select "Events."

Meeting Details:

9/18/2018 WP&BC Webinar 10 am– 11:45 am PST	Online Webinar: Disclosures, Notices, and Filing Requirements for Your Retirement Plan	Theresa Conti, QKA, APR, ERPA President at Sunwest Pensions
9/20/2018 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Washington Update -Legal & Regulatory Update for Retirement Plan Professionals	Stephen Forbes, LLM, JD, ERISA Attorney Forbes Retirement Plan Consulting
10/18/2018 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Distributions Retirement Planning	William C. Grossman, QPA, ERPA- Retirement Plan Speaker and Writer
11/15/2018 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: What You Need To Know To Insure Retirement Plan Risks: The Roles of Fiduciary Liability, Cyber, Crime & ERISA Bonds	Rick Unser, Retirement Plan Consultant, Lockton Reid Eanes, Senior Vice President, Lockton
1/17/2019 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Plan Audits	Marcus Aaron, Chief Councils Office of DOL
1/24/2019 Capital Group Campus Irvine, CA	Full Day Seminar: ABC's of Pension Plans	Doug Van Galder, Boutwell Fay Hitz Burton, Aon Stuart Hack, Sunlin Consulting Samantha Graboff, Windes

Breakfast Forums are held at Andrei's Restaurant, address above. Registration is \$75 per person, with discounts for members and early registration. Your registration fee includes a full breakfast buffet and hosted valet parking. Check-ins begin at 7:30 am, breakfast and networking until 8 am. Presentations typically end at 9:40 am. Members may bring one guest for free.

Technical Lunch Forums are held at the Precept Advisory Group or the American Funds Campus in Irvine. Registration is \$50 per person, with discounts for members. Your registration fee includes a full lunch and parking. Check-ins begin at 11:30 am and typically end at 1:40 pm. Walk-ins cannot be accommodated.

Online Webinars are sponsored by the Western Pension and Benefits Council. Registration for a 100 minute session is \$50.00 for members and \$65.00 for non-members.



YOUR MEMBERSHIP MATTERS

Welcome to our newest members!

INDIVIDUAL MEMBERS

Christopher Kelly— My 401k Partners
Manuel Villagomez—Precept Advisory Group

Stan Smith—SaveDaily
Tina White — Franklin Templeton

NEW CORPORATE MEMBERS

The Standard

George W Teats, CPAs

Farewell to Dylan

We are saddened to announce that Dylan Porter, Past President and longtime Board Member and Sponsor, has stepped down from the Board of Directors. He is leaving us because he has achieved what we all are working for—retirement! He will be spending quality time with his family and pursuing other interests and we could not be more proud of him. The Board wished him well at the Board's annual planning retreat in June. Congratulations, Dylan! Sailing onto the next new adventure!



The Western Pension and Benefits Council appreciates our Sponsors whose support enhances all that we do!



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