



President's Message



2020. Not sure about you, but it is going to take me a little while to get used to that number. Another number I wanted to also highlight is 118. 118 is the number of current members in our Orange County Chapter of the WP&BC. Let me provide some additional context to help you understand why that number is significant.

118 individual members represents an all-

time high for our Chapter. It also puts membership in the Orange County Chapter on par with or above the current membership numbers for the largest metropolitan regions covered by the WP&BC, including membership totals for San Diego, San Francisco and Seattle chapters.

As with any success story, there are a lot of reasons why the Orange County Chapter has continued to thrive over time. Certainly, the Chapter has been the beneficiary of continued financial support from our 11 sponsors and 16 corporate members. We have a diverse and loyal membership base that includes a variety of HR professionals as well as financial, accounting, legal and accounting advisers.

Let me also mention that this Chapter would not be in the position it currently enjoys without the hard work and conscientious efforts of our Board of Directors who have actively recruited new members. Leading the membership drive is Andy Hermann whose commitment to introducing and encouraging membership to the Orange County Chapter has been a major factor in its growth. Other Board members who have participated in these efforts include Peter Stephan, Curtis Farrell and

Kris Krikorian. Please join me in thanking these individuals for all of their efforts to make the Orange County Chapter the very best it can be.

Behind this success, your Chapter Board remains committed to providing you with the best available continuing education we can provide. To that end, we have upcoming breakfast forums covering (i) plan audits (January 16)(Carlye Broten and Nicole Aguilar from the CLA CPA firm); (ii) the future of the U.S. pension system (February 20)(Pete Swisher); (iii) best practices when changing recordkeepers (March 19)(panel discussion including Janelle Sotelo, Sherrie Boutwell, Margaret Martinazzi and Chris Donnelly); and a session focused on the latest developments in share class investments for DC plans (April 16)(Shannon Main).

Beyond these upcoming breakfast forum sessions, the Chapter will also host our annual full day ABCs of Pension designed primarily for newcomers to the pension industry on January 23 at the Capital Group. We will also host a technical lunch session on February 12 focused on the challenges faced by sponsors of smaller retirement plans.

It is my sincere hope that you enter 2020 with great expectations for a wonderful and memorable year and one which finds you joining us an upcoming session or two (or three).

All the very best,

Hitz Burton, Partner, Aon

Orange County Chapter President

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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.

Milestones in Membership



Lawrence Rutherford, Yosemite Capital Management

Mark Murphy, LTSP, Inc. *



Stuart Hack, Sunlin Consulting*

Diane Clark, Pension Benefits Unlimited

Wm. Gary Crouch, White Nelson Diehl Evans, LLP

Peter Stephan, EGPS, Inc.*

Kathleen Bass, Boutwell Fay LLP*

Kelly Manning, Pension Benefits Unlimited, Inc.

Scott Sandus, Pension Benefits Unlimited, Inc.

Curtis Farrell, Financial Management Network*

Marilyn Thompson, Windes*

Scott Young, Wright, Ford Young & Co.

* Current Board Member

Board Member Profile



Name: Peter Stephan

Company: EGPS, Inc. (Economic Group Pension Services, Inc.)

Title: Executive Vice President

Years in the Industry: 44

First “real” job: Auditing financial transactions at CPI Pension Services, Inc. in 1975

Education: Bachelor of Science—Finance, California State University, Fullerton

Business Background

Nature of your work: EGPS is a national TPA firm with six offices across the U.S. and growing. In addition to being on the leadership team and working with our CEO and CFO, I lead the national Sales Consultants’ team for EGPS as well as work with local tax CPAs and financial advisors with their business clients designing retirement plans.

How you got into the field: I had a summer internship at CPI Pension Services, Inc. that led to a full-time permanent position.

What you like about the field: I enjoy working with profitable business owners on a financial solution which in turn helps the employees have funds set aside for retirement.

Why did you join the WP&BC?: Education and networking

Personal Background

Ways you spend free time: Hiking, snow skiing, domestic and international travel

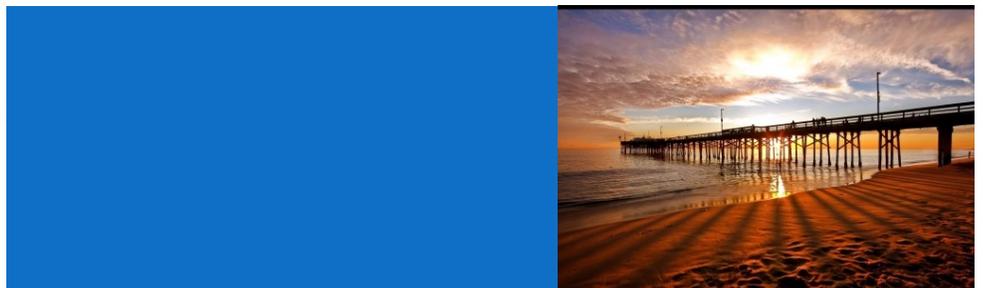
Guiding philosophy: Treat others like you would want to be treated.

Favorite charity: Feeding America

Last book read: “Wine & War” by Don and Petie Kladstrup

Restaurant recommendation: Nick’s San Clemente

What will you do when you retire? Hike, snow ski, travel and enjoy great wine.



Ask The Experts



Karlye Broten
Principal,
CLA, Phoenix



Nicole Aguilar
Manager,
CLA, Glendora

Retirement Plan Audits and Best Practices for Hiring an Auditor

A retirement plan is subject to audit once determined to be a "large-plan" based on the Form 5500. Generally, this occurs when there are over 100 participants at the beginning of the plan year; however, there are a few nuances to this rule that may make the determination complicated.

The first item to consider is the definition of a participant. For this purpose, a participant is any employee who is eligible to participate in the retirement plan (regardless if participating) plus those terminated with a vested balance. In certain situations, a TPA (third party administrator) may only be tracking those who are deferring into the plan, so it is crucial that the plan sponsor understand the definition and if they need to monitor the counts internally.

Another consideration is also the 80-120 rule. To prevent plans hovering around 100 from switching between a small plan and a large plan, a plan may elect to continue to file the same as the previous filing if within 80-120 participants. For example, if during the previous year, a plan filed as a small plan (no audit), they may elect to file as a small plan again until crossing the 120 threshold. It is important to note that in the first year of a plan's existence, this rule does not apply. However, if in the first year of operation, the plan sponsor may opt to defer an audit if the initial plan year is less than seven months. This short period is included as part of the following year's audit.

Once an audit is required, it is crucial to hire a quality auditor. Hiring a service provider (auditor included) is a fiduciary function, and ERISA holds plan administrators responsible for ensuring audits are properly conducted according to standards. The Department of Labor (DOL) has stepped up enforcement in this area over concerns of audit quality, and plan sponsors may be subject to steep penalties resulting from deficient audits. Another reason to hire experienced and properly trained auditors is that they are more likely to uncover potential issues and make recommendations to improve plan operations.

Questions to ask a prospective auditor should include the size of the practice, training, qualifications of the engagement team, and Employee Benefit Plan Audit Quality Center (EBPACQ or Center) membership. In 2015, the DOL published findings as a result of a comprehensive audit quality study. The study showed a strong correlation between firms providing only a few benefit plan audits and a high deficiency rate (76%). The study also showed that EBPACQ members had a much lower occurrence of audit deficiencies than non-member firms. The Center currently has over 2,300 member firms and helps plan sponsors find auditors committed to quality. The Center provides members with tools, resources, and practice aids to enhance quality and also has specific training requirements for all individuals signing and managing audit engagements.

Join us on January 16th, where we will discuss what to expect during a retirement plan audit, how plan sponsors can best prepare as well as tips on leveraging providers. We will also spend time on the new audit standard effective for periods ending on or after December 15, 2020, and related audit implications, including the ERISA section 103(a)(3)(C) audit.

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:

AIF	ASSPA	CEBS	CFP	CPA (CA)
CRPS	ERPA	General	MCLE	NIPA



YOUR MEMBERSHIP MATTERS
Welcome to our newest members!

INDIVIDUAL MEMBERS

Barbara Mitchell, US Bank Kevin Krell, Principal Vikram Kalra, Benefit Consulting Group

GOLD MEMBER

Sadaf Asidtafer, Benefit Consulting Group

CORPORATE MEMBERS

The Irvine Company Invesco Franklin Templeton

SAVE THE DATE: NAFE Annual Forum & Expo April 26 – 29, 2020 – Nashville, Tennessee

The logo for the NAFE Nashville 2020 event is a collage of elements. On the left, it features the year '2020' in large red numbers, with 'NAFE' in large teal letters and 'NASHVILLE' in smaller blue letters below it. To the right is a teal square containing a white acoustic guitar. Further right is a red square with the 'nipa' logo and the 'WP&BC' logo. At the bottom right, there is a dark blue silhouette of the Nashville skyline with the text 'April 26-29, 2020' and 'Nashville, TN • JW Marriott Nashville' below it. The entire logo is set against a background of teal, white, and red horizontal bars.

Member Profile



Name: Tina White

Company: Franklin Templeton

Title: Vice President, Senior DCIO Specialist

Years in the Industry: 20

First "real" job: Starting at 17, Receptionist at a Law Firm in Stockton, CA

Earned Designations: C(k)P, CRPC, AIF, CHSA

Business Background

Nature of your work: Provide investment solutions and value-added tools to the defined contribution arena to help retirement advisors build and retain their business.

How you got into the field: Transitioned from a social services career seeking a more flexible schedule with unlimited upside potential.

What you like about the field: The amazing people. People are my passion.

Why did you join the WP&BC?: To network with other industry professionals, enhance and build new relationships and increase and share knowledge.

Personal Background

I have three grown children: 28, 26, 23 and one granddaughter (Adelynn Jo)

Ways you spend free time: Kickboxing at UFC, soaking in the sun, the great outdoors, learning something new, enjoying the family.

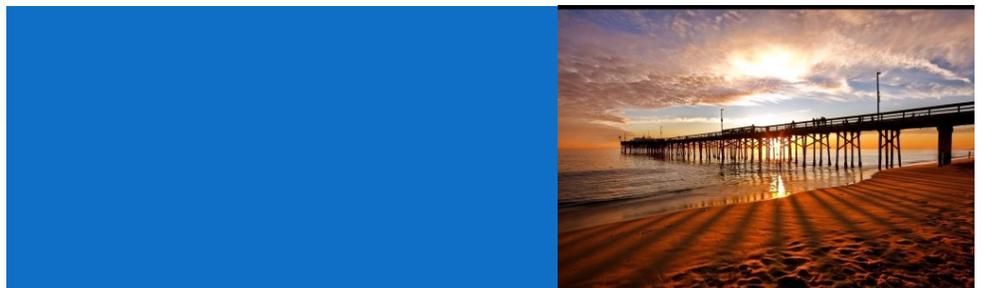
Guiding philosophy: Life is short-enjoy EVERY day.

Favorite charity: ALL of them—too many to list

Last book read: "CIMA (Certified Investment Management Analyst) " Coursework

Restaurant recommendation: Andrei's, Davio's, Il Barone

What will you do when you retire? Travel, enjoy my children and grandchildren, genealogy.



Upcoming Programs

All Breakfast Forum Meetings will be held at

Andrei's Restaurant

2607 Main Street, Irvine, CA 92614

1/16/2020 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Plan Audits—who does what, how to get cooperation and the 2020 changes in audit reports	Carlye Broten and Nicole Aguilar, CPAs, CliftonLarsonAllen
1/23/2020 Capital Group Campus Irvine, CA	Full Day Seminar: ABCs of Pension Plans	Hitz Burton, Aon Stuart Hack, Sunlin Consulting Samantha Graboff, Windes Phuong Jennings, EGPS, Inc.
2/12/2020 Capital Group Campus Irvine, CA	Technical Lunch Forum: Addressing the Challenges of Small Plans	Katie Selenski, CalSavers David Kobrine, Pension Benefits Unlimited TBD, American Funds
2/20/2020 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Future of the U.S. Pension System	Pete Swisher, Pentegra Retirement Services
3/19/2020 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Best Practices When Changing Recordkeepers	Janelle Sotelo, Pensionmark Margaret Martinazzi, PBU, Inc. Chris Donnelly, Sageview Advisory Sherrie Boutwell, Boutwell Fay, LLP
4/16/2020 Andrei's Restaurant Irvine, CA 92614	Breakfast Forum: Share Class Wars	Shannon Main, Pensionmark
5/21/2020 Andrei's Restaurant Irvine, CA	Full Day Seminar: Cybersecurity	Adam Brand, Price Waterhouse

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."

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 American Funds Campus in Irvine. Registration is \$65 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 WP&BC Governing Board. Registration for a 100 minute session is \$65.00 for members and \$90.00 for non-members. [Click here](#) to see the upcoming Webinars.

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



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