



Fall 2020 Issue

PRESIDENT'S MESSAGE

I would like to start by thanking Hitz Burton for serving as President of the WP&BC Orange County Chapter for the last two years. I would also like to express gratitude to my fellow board members as we navigate operating the Orange County Chapter in this new virtual world. And most important of all, I want to thank our members and sponsors who continue to support our mission. We sincerely appreciate your loyalty and strive to provide value, including adding three extra programs this summer to keep you abreast of ongoing legislative and regulatory changes and provide more opportunities to earn continuing education credits.

When our country shut down in mid-March, I thought we would be back to normal by the summer. Now, as we are approaching fall, I wonder if we will ever return to normal. I have given a lot of thought about what normal may look like in the future and have reflected on what I like and dislike about this new normal. I certainly like the extra time I have gained not being on the road each day. It has decreased my stress and allowed me to spend more quality time with my clients, family, and friends. I also like the efficiency in managing my practice and daily life by utilizing technology. What I do not like, is the change in connecting with others as I miss the human interaction that you cannot replace in a virtual world. But I realize for now, we have to connect virtually until reliable and effective treatments and vaccines are available to put the COVID-19 pandemic behind us.

Our Statement of Purpose says "The Orange County Chapter of the Western Pension and Benefits Council promotes an exchange of information and ideas among employee benefits professionals," and "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." Since March, we have made the successful transition to conducting virtual programs with high quality, relevant, and timely educational content, but have neglected to provide a forum for dialogue and exchange of information and ideas between our members. To remedy this, we have recently announced Meet & Greet sessions for members to connect on Zoom, 30 minutes prior to each of our programs. While this will never replace in-person networking over breakfast or lunch, it does provide an alternate forum for dialogue and exchange of ideas. I realize



Shannon Main, President
Orange County Chapter

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PRESIDENT’S MESSAGE—CONTO

it can be awkward at first, but once introductions are made and the conversation gets going, it is a lot of fun to catch up with your fellow members and meet new people.

I wish you and your families remain safe and healthy and hope to see you on the next Zoom Meet & Greet!

Best Regards,

Shannon Main, Principal, Pensionmark
Orange County Chapter President

WP&BC BOARD MEMBER PROFILE

Name: Michael Flatebo
Company: Pension Profit Sharing Services, Inc.
Title: Administrator/Actuary in Training
Years in the Industry: 3
First “real” job: Data Scientist
Education: B.S. Probability & Statistics, UC San Diego

BUSINESS BACKGROUND

Nature of your work: Design and administer retirement plans for businesses of all sizes
How did you get into the field: Heavily recruited to join the family business
What do you like about your work: The creativity it takes to understand a sponsor’s unique situation and design a plan to meet their goals
Why did you join the WP&BC? To learn from some of the best speakers in the industry.

PERSONAL

Ways you spend free time: Rock climbing and video games
Guiding philosophy: What you put in is what you get out
Favorite charity: Community Action Partnership of Orange County
Last book read: The Undoing Project, Michael Lewis
Restaurant recommendation: Habana
What will you do when you retire? Become a high school math teacher.



Michael Flatebo,
Administrator
Pension Profit Sharing
Services, Inc.



Deciding to Join a Pooled Employer Plan: The Process

A pooled employer plan (PEP) is a new type of plan permitted by the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) and can be effective as early as January 1, 2021. A PEP is a defined contribution (DC) “open” multiple employer plan (MEP), qualified under the Internal Revenue Code (Code) and treated as a single employee pension benefit plan under the Employee Retirement Income Security Act of 1974 (ERISA), in which two or more unrelated employers participate. This article explores some important considerations for employers when deciding whether to join a PEP.

PEP Selection

Any employer considering whether to join a PEP should establish a prudent process for determining if a PEP is the appropriate vehicle for delivering DC plan benefits to its employees. This process will involve selecting the appropriate PEP and its pooled plan provider (PPP) (the entity responsible for administering the PEP), as well as any optional provisions that may be available under the PEP. The selection process typically will require a diligent review of (i) all standard and optional provisions of the PEP, including those that apply to participating employers, mergers of employer plans, and termination of participation in the PEP; (ii) the trust agreement; (iii) the service providers and their responsibilities under the PEP; and (iv) all fees and expenses that may apply under the PEP. The evaluation process also should confirm that the PPP has registered as a PPP with the Internal Revenue Service (IRS) and the Department of Labor (DOL) and that the PEP is qualified under Code Section 401(a).

Merger of Existing Employer Plan

If the employer intends to transfer all or any portion of the assets and liabilities under its existing qualified 401(k) or other DC plan to the PEP, such a transfer is treated as a merger of that plan (or portion of that plan) into the PEP. In evaluating whether to move forward, the employer should (i) review the terms of its plan and the PEP to ensure that any plan features required to be protected under Code Section 411 are preserved by the PEP; (ii) address any known plan document and/or operational issues prior to the merger; and (iii) gather a copy of all relevant plan documents that the PPP will want before it can approve the merger. The employer may need to amend its plan prior to the merger to modify, delete, or add certain provisions, depending on the PEP (and subject to any required preservation of protected benefits).



Hitz Burton, Partner
Aon



Deciding to Join a Pooled Employer Plan: The Process

Joining the PEP

The employer will need to approve its participation in the PEP (e.g., by formal action by its board of directors or other authorized person); obtain any necessary union approval with respect to collectively bargained employees who may be permitted to participate in the PEP; sign any documentation required by the PPP to accept the employer's participation in the PEP and to confirm the employer's agreement with all PEP terms; and provide any information that the PPP, IRS, and/or DOL may require in connection with its participation.

Ongoing Employer Responsibilities

The employer should understand its ongoing obligations with respect to PEP participation. For example, the participating employer will need to provide certain information to the PEP, including payroll feeds, employee census and coverage data, and other information that may be required to comply with PEP rules and regulatory requirements (yet to be issued). This will enable the PPP to administer the PEP and satisfy its obligations under the Code and ERISA.

The employer also should establish a prudent process for complying with all PEP and PPP requirements. Failure to satisfy its obligations could result in the employer's involuntary withdrawal from the PEP, transfer of its portion of the PEP to another plan or arrangement, and responsibility of the employer (and not the PEP or other participating employers) with respect to PEP liabilities attributable to its employees and their beneficiaries.

Other participating employer obligations include (i) reviewing information that the PPP will periodically provide and (ii) monitoring the PEP's operational and investment performance on a periodic basis to ensure, among other things, that the PEP remains an appropriate vehicle for its participants and that all fees and expenses under the PEP are reasonable for the services provided. The employer should establish a prudent process for its ongoing review of the PEP and document any related decisions it may make. For example, that process should address whether the PPP will provide (in addition to periodic information about the PEP) regular meetings (at least annually) with the employer to discuss PEP operations for the preceding period, including any issues that may have occurred and their resolution.

In addition, the employer will need to ensure that it satisfies its responsibilities, in accordance with the SECURE Act, as the plan sponsor with respect to its portion of the

POOLED EMPLOYER PLAN



Deciding to Join a Pooled Employer Plan:

PEP (other than the administrative duties of the PPP). Such responsibilities should include complying, on a continuing basis, with those qualification requirements of the Code and ERISA obligations that apply separately to that employer.

Fiduciary Responsibilities

The PPP will be taking on many of the fiduciary responsibilities associated with the PEP. To the extent that any employer-related obligations with respect to the employer's portion of the PEP involve fiduciary considerations, the fiduciary (e.g., a designated committee) of the employer should satisfy its responsibilities and appropriately document any related decisions.

NEW MEMBER PROFILE

Name: Michael Deferro

Company: AllianceBernstein

Title: Director—Retirement

Years in the Industry: 25

First "real" job: Credit Manager for the Credit Bureau of Columbus

Education: Bachelor of Science from Franklin University, Columbus, Ohio

BUSINESS BACKGROUND

Nature of your work: DCIO sales to advisors across all channels in western U.S.

How did you get into the field: By launching a 401(k) platform when I worked at Bank of the West

What do you like about your work: I love working with people and making a real difference impacting participants' retirement plans.

Why did you join the WP&BC? I joined to network with other retirement professionals and learn about issues affecting retirement plan design.

PERSONAL

Ways you spend free time: I spend time with family traveling, going to the beach and working on house projects. We like to eat out on weekends.

Guiding philosophy: Never stop learning.

Favorite charity: Head Start

Last book read: Unstoppable Prosperity by Charles Payne

Restaurant recommendation: Mangiamo Ristorante—Manhattan Beach

What will you do when you retire? Hard to imagine not working; but, I would like to become an amateur photographer and travel the world.



**Michael Deferro,
Director—Retirement
AllianceBernstein**

SHELTERING IN PLACE TOGETHER

Everyone is going through the challenges of sheltering in place right now, and we thought it would be interesting to ask our Board members to answer some timely questions. We hope you find the responses entertaining, perhaps informative, but ultimately reflective of our shared experience, even though we are apart.

1. What is your new favorite app?

- *Amazon*
- *Instacart*
- *ZOOM – it allows us to visit with children & grandchildren, cousins and old friends*
- *Hearts card game*
- *Bleacher Report (favorite sports teams updates)*
- *ESPN*
- *CBS Sports*
- *Tidal*
- *Meditation app*
- *Asana*

2. Favorite Recipe

- *Sheet Pan Shrimp Fajitas*
- *A new recipe - Shakshuka*
- *Banana Bread (Food.com – Best Banana Bread)*
- *BBQ ribs*
- *Slow cooker Louisiana ribs*
- *Barbacoa Tacos with fresh mango/cabbage salsa*
- *Bulgogi*
- *My youngest daughter's butter bars*
- *Fish Tacos*
- *I've been eating a lot of hamburgers*
- *Caprese salad with heirloom tomatoes, burrata and prosciutto – perfect for summer*

SHELTERING IN PLACE



3. Favorite alcoholic beverage?

- *Dark and Stormy (Rum, Ginger Beer and a little lime)*
- *Still craft ales and lagers*
- *Skinny jalapeno margarita with Tajin on the rim*
- *Proper No. Twelve Irish Whiskey on the rocks*
- *Homemade White Sangria with Peach Schnapps, Mango, Watermelon & fresh mint leaves*
- *White Claw*
- *Bourbon Mule*
- *Wine – preferable red*
- *Kim Crawford Sauvignon Blanc*
- *Wine, any color will do!*
- *Mango Margaritas (Jose Cuervo pre-mixed)*

4. Have you discovered any new TV shows?

- *Killing Eve (Hulu). It's wacky and compelling.*
- *Medici (Netflix)*
- *Longmire and Fauda (both on Netflix). We've also watched a ton of documentaries.*
- *Bones (Amazon Prime)*
- *Kim's Convenience (Netflix)*
- *Yellowstone (Amazon Prime)*
- *Chernobyl (HBO)*
- *New Girl with oldest daughters and The Office with youngest (Netflix)*
- *Schitt's Creek (Netflix)*
- *The Politician (Netflix), Yellowstone (Amazon Prime or YouTube TV)*
- *Offspring and Unorthodox (Netflix)*



3. Favorite book read or movie watched?

- All This I Will Give to You (Dolores Redondo). Keeps you guessing.
- Magnifico: The Brilliant Life and Violent Times of Lorenzo De' Medici (Miles Unger)
- Murder Mystery with Jennifer Aniston and Adam Sandler (Netflix)
- Love in the Time of Cholera (Gabriel Garcia Marquez) I really did read this book; also, The Martian (Netflix) —sometimes I feel like I'm on another planet
- The Peanut Butter Falcon (Amazon Prime)
- The Extraction (Netflix)
- The Prestige (Amazon)
- Malala (Malala Yousafzai) Yes, 7th grade level but saw her on TV and wanted to read about her
- Adventures On The Wine Route (Kermit Lynch)
- Me Talk Pretty One Day (David Sedaris)

4. Do you have any funny Zoom meeting anecdotes?

- Baseball hats are not really fooling anyone
- While attending an online class one woman forgot that she was visible and started to disrobe – that stopped abruptly when the attendees yelled at her. We haven't seen her since!
- Any of my three cats randomly deciding to “join” a Zoom meeting on occasion. Generally, just a casual walk by.... Nose to tail... and then back again...
- Margaret's cat, Bleeker, making an appearance at Zoom board meetings. I get the impression he doesn't approve of the drain on her attention.
- Start of school today with three kids (5, 9, 10). Figuring out how to get all of their accounts set up, not being able to find Google Meet links, having to sit with a kindergartner while trying to work, school internet going down and thinking it's my internet, trying to juggle work and checking in on each meeting for help.
- Leading a presentation and getting up without turning off video to reveal shorts and flip flops.
- I had a large work WebEx call, and one of the participants had his cat upside down on his lap the entire time and was petting it. He was the “cat man.”
- A client didn't know he had his camera on, left the meeting for 10 minutes and came back as if nothing happened.



5. Favorite place to spend outdoors?

- *Tennis courts*
- *Multiple nature trails in Orange County*
- *Our socially distanced back yard.*
- *Dana Point and golfing*
- *Walking along the boardwalk of the beach*
- *Our pool with a drink in hand*
- *Own backyard by the pool with Family & the dog*
- *The beach very early in the morning*
- *Distance Hiking – especially areas that are really in “the outdoors”*
- *In my friend’s inflatable hot tub!*
- *Any hiking trail*

6. Favorite restaurant for take-out?

- *Oliver’s Osteria, Laguna Beach*
- *Jalapenos*
- *The Habit Grill*
- *Costco–pizza*
- *Eat at Joe’s–Their naked hot wings!!!!*
- *Panda (not mine but kids)*
- *South of Nick’s*
- *Raising Canes*
- *California Cocina, Los Alamitos*
- *Starfish, Laguna Beach*
- *Gu Ramen, Laguna Beach*
- *Andrei’s*



7. What is something positive that you have gained from this experience?

- *Started writing that novel I've been meaning to write for years*
- *Life slowing down, more time at home with family*
- *Reconnecting with friends all over the globe through Zoom.*
- *An eternal gratitude for my faith, a reassurance of the strength of the love that our family shares as well as confirmation that my adult children have clearly mastered the life skills of adaptability, tenacity and resilience.*
- *Not taking family and friends for granted*
- *Spending time with my family and kids, being more present in their lives during the pandemic.*
- *Despite big hit to commissions, the change of pace and time with family while not traveling has been great*
- *Personal not physical interaction is priceless*
- *Learned to cook much better*
- *Family meals in the backyard together without rushing to another activity or event.*
- *Patience, listening and empathy*
- *I'm very grateful for my health and job!*
- *Improved health from lower stress and regular exercise*

8. What are you most looking forward to when this is all over?

- *Going to Cambria and Paso Robles wine country*
- *Traveling abroad*
- *Spending time with my children and family*
- *Going back to a regular schedule with friends and family*
- *Going to Hawaii with my husband, without the kids*
- *Going to the movies*
- *Attending a baseball game and having a beer & hot dog*
- *Seeing friends in person*



8. What are you most looking forward to when this is all over? (Continued)

- Living life and not overthinking and business associates; then start traveling again.
- Hanging out with the parents
- Getting “face to face” with friends -
- Editor’s Note: And, of course...in-person WP&BC meetings!

Stay safe, stay well, and hope to see you all very soon!



Your Membership Matters!

Welcome to our newest members ...

Corporate Members:

AllianceBernstein
Invesco
Franklin Templeton
Voya

Gold Member:

Carey Robinson—Stadion Money

Individual Members:

Murray Cleaner—Lord Abbett
Steve Wilkinson—Monarch Advisors
Brett Gallinger—Transamerica
Murray Cleaner— Lord Abbett

ENJOY THE BENEFITS

- Business contacts that can result in **new business opportunities**
- **Reduced fees** to our many program offerings—10 monthly Breakfast Forums ([online until live in-person events are permitted](#))*, 4 Technical lunches* and 11 Webinars) as well a substantial discount to the Annual Conference, co-sponsored with NIPA
- Access to WP&BC **Membership directory**
- Attend all of the OC Chapter events and all of the other WPBC Chapter events at membership rate and earn up to **28 CE credits** applied to **AIF, ERPA, ASPPA, NIPA, CEBS, CFP, CPA (CA), CRPS, General, MCLE, NIPA.**

*While online, **Sponsors and Corporate Members** may invite an unlimited number of employees and guests to all Breakfast Webinars at no extra charge! [Click here to join!](#)





Upcoming Programs
 * All Breakfast Forum Meetings will be held online through December 2020

9/17/2020 *Online Webinar 8:00 am - 9:45 am	Retirement Policy in a Pandemic—Way more than 6 Feet Apart	Sam Henson, JD, SVP – Director of Legislative & Regulatory Affairs, Lockton
10/22/2020 *Online Webinar 8:00 - 9:45 am	CalSavers and Open MEPS	Katie Selenski , Executive Director, CalSavers Retirement Board Rick Jones , Senior Partner, National Retirement Practices, Aon
11/19/2020 *Online Webinar 8:00 - 9:45 am	Financial Wellness	Speaker TBD

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.”

REDUCED RATES for WP&BC—Orange County ONLINE EVENTS

Breakfast Forums are currently held online at reduced registration rates. *Online registration is FREE for all Gold, Sponsor and Corporate Member associates.* Reduced rates for Individual Members—is \$35 per person with early registration. Non-Member registration fee reduced to \$55 for early bird registration. Programs begin at 8 am.

Technical Lunch Forums are held online with reduced registration is \$35 per member, and \$50 for non-members. Check-ins begin at 11:30 am and typically end at 1:40 pm.

Recorded 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.

**Join the WP&BC—OC for a Networking Zoom
 Meet & Greet other Benefit Professionals
 Scheduled 30 minutes before each program!**



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



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