

**INCENTIVE BENEFITS, INC.**  
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To: Our Clients and Advisors

Date: December 28 2023

From: Al Cannata, Vice President  
Brian Lamb, Vice President Sales

Another year has passed and all of us at Incentive Benefits, Inc. want to thank you for your business during the past year. We have included a list of reminders and retirement plan news for your consideration:

- **TECHNICAL CHANGES-** Attached is a list of the changes in plan limits for 2024, as well as some other technical notes.
- **FIDELITY BOND** - Just a reminder that all plans that have employees (other than spouses and owners) are required by law to purchase an ERISA Fidelity Bond. An ERISA Fidelity Bond protects the plan against loss by reason of fraud or dishonesty. The value of the bond must be for 10% of the plan's asset value. Additional coverage of 100% of value is required for each asset whose fair market value is not readily valued by markets (i.e., property, collectibles, and trust deeds). ***Our office must receive copy of the bond since this information is required in order to complete your annual 5500 return. Failure to have a bond amount on the 5500 is an IRS audit risk.***
- **AGE 73 REQUIRED DISTRIBUTIONS** - December 31<sup>st</sup> is the deadline for required minimum distributions for plan participants who have attained age 73 or older after the calendar year of 2022. Please be sure everyone age 73 or older in your plan has made the required distribution (or if they are not owners of the company, they have elected to defer distribution until they actually stop working) and /or call us to assist with calculations or questions. The required beginning date for the first time age 73 2023 distribution is no later than April 1, 2024.
- **1099R's FOR ALL DISTRIBUTIONS** - Any distributions that occurred during 2023, regardless of whether the money was taken into income or rolled over, must have a 1099R form issued (in addition to forms 945 and DE-7 and annual forms for reporting federal and state tax withheld from distributions may be required). Make sure your investment institution or CPA prepares the above forms. Call us if you have questions.
- **INSURANCE POLICIES NEED PS58 COSTS** - If your plan has life insurance policies, be sure the insurance company sends each participant the PS58 cost they will need to pay.
- **PLANS WITH DISCRETIONARY EMPLOYER CONTRIBUTIONS** - If your plan has a discretionary employer contribution of any kind (Profit Sharing, discretionary match), be sure to note in your company minutes or resolution what, if any, the contribution will be for 2023.
- **5500 FILING EXTENSIONS** - Plans requiring a 5500 filing extension due to failure to provide annual year end census and or trust information within 7 months of your plan year end will be charged up to an additional \$300.
- Fee Schedule effective January 1, 2023 is attached.

*We wish to thank you on behalf of all Incentive Benefits employees,  
and wish you a Happy 2024!*

## RETIREMENT PLAN NEWS FOR 2024

1) Following are cost of living adjustments relating to Retirement Plans for 2024:

- Profit Sharing and Money Purchase Plans individual limit is \$69,000
- Defined Benefit Plan annual benefit limit is \$275,000
- Annual compensation limit for plan purpose is \$345,000
- Employee elective deferral limit to 401(k) plans is \$23,000  
**(Please be sure to deposit employee money as soon as administratively feasible after it is withheld, but no later than 7 days).**
- Catch up contributions for those age 50 or over in a 401(k) plan is \$7,500
- The dollar limit used to define a Highly Compensated Employee is \$155,000
- The maximum Social Security Wage Base is \$168,600

2) **Fee Disclosure** - Just a reminder that if you have a 401(k), a Profit Sharing or a Money Purchase Pension Plan, AND that plan has the investments selected by the participants, then the annual fee disclosures must be made to the eligible participants by the year end. The fee disclosure notices are all available on the website of your investment provider (i.e., Transamerica, John Hancock, The Principal, American Funds, Empower, Voya etc.). If you are not using one provider, then the fee disclosure you should hand out is the same one we sent to you previously.

3) **Mandatory State Cal Savers Retirement Plan** - The State of California is requiring all employers to adopt a Cal Savers retirement plan for their employees. Since you already have adopted a retirement plan that is far superior in comparison, your company is exempt. If a company does not already maintain a retirement plan, the Cal Saver plan must be adopted by the following date:

- Companies with more than 1 employee by December 31, 2025

4) **Secure Act 2.0 – Long Term Part-Time Employees**

Please refer to the enclosed special insert for more information regarding new eligibility requirements for employees. Visit our website [incentivebenefits.com](http://incentivebenefits.com) for more information regarding the Secure Act 2.0.

5) We have enclosed an amendment to the basic plan document to implement Secure Act and other law changes affecting your plan.

Please call our office if you have any questions or concerns about the requirements.