



PLANCONNECTIONS

The New Standard in Plan Administration

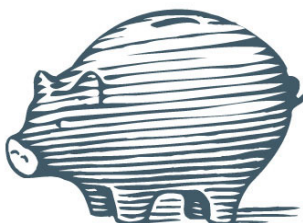


First Edition

First Quarter 2011 January 1 – March 31

Features Section

Resolution Time: Is your resolution to save more money?



A recent poll conducted by Fidelity Investments indicates that saving more for a long – term goal is a top financial resolution for the New Year. Of the people polled, 53% stated they would use either a work place savings plan or an Individual Retirement Account (IRA) to accomplish this goal.

Over the past 2 years Americans have seen what the impact of a shaken economy can bring, record high unemployment rates and an unprecedented amount of homes facing foreclosure, it is no surprise that people are still panicked. While a sense of panic is evident, what we have all witnessed has served as a much-needed wake up call for many Americans and their need to revamp their saving and spending habits.

Overhauling our financial habits is something 80% of people polled stated they would continue, even once the economy fully rebounds.

This trend is not only for those rapidly approaching retirement age. In fact, of the people polled between the ages of 18-34, 50% considered a financial resolution as apposed to the 30% of those who are over the age of 55.

How exactly are the younger Americans going to implement a financial resolution? That's where your financial advisor will play a crucial roll. Contact them to help you layout a plan that will benefit you the most. If you do not have a financial professional, contact your investment provider for the name of one close to you. So, will your New Year's resolution be a financial overhaul?

Coming Soon:

PlanConnect.com will soon be launching a new exciting feature: Connect²Achievesm.

This exciting new section will be a great tool for anyone interested in learning more about saving for his or her future. No matter what point you are at in the savings process, our interactive guide will lead you towards your goal.

IRS Announces Tax Filing Extension

The IRS has extended the filing deadline this year due to Emancipation Day, a holiday in the District of Columbia. Since the holiday is observed on Friday April 15, taxpayers will now have until Monday April 18, 2011 to complete them. The new deadline will apply to all returns or payments that are traditionally due on April 15, as well as requesting a tax-filing extension. That also means we will have an extra three days to make 2010 contributions! Please contact your advisor or accountant with any questions.

New Year, Same Limit

Each year the IRS releases contribution limits for all retirement markets. This will be the third year in a row they have chosen not to increase the limits for the 403(b) & 457(b) markets. The limits will remain at \$16,500. Click [here](#) to see the article from the IRS.

Important Dates for the First Quarter:

January –

Meaningful Notice Mailing
ERISA Nondiscrimination Testing

February –

2/21 – CLOSED – Washington's Birthday /
NY Stock Exchange

March –

Required Minimum Distribution Notice Sent

Contact Us!

If you have any questions about any of the articles you have seen here, or if have a question or topic you would like to see addressed in future editions, please contact us toll free at (800)-923-6669 Monday-Friday from 9am to 5pm ET.

You may also email us at
info@planconnect.com.

Caution: 100% Paperless Environment May Mean Trouble

Many companies are looking for new ways to save, not only money but the environment as well. It seems the easiest solution would be to adapt an entirely paperless option. However no one wants to be in violation of IRS rules. So when the IRS was given the question about whether an entirely paperless environment could be a violation under the Universal Availability rule, they answered YES! For the full question and answer from Ellie Lowder, TGPC, Consultant & Advisor to the NTSAA please click [here](#).

New From the IRS: Non-dependent children and residential flooding added to the list.

With the recent release of Revenue Ruling 2010-27, the IRS has opened the door to claims involving funeral expenses for non-dependent children and residential flooding.



Nothing has changed as far as proving the need for the distribution. The participant must still show that the emergency expenses are not otherwise covered by insurance, liquidation of assets

or cessation of deferrals under the plan. Here is sample language provided by the IRS for either new option:

- Repair significant water damage to the participant's principal residence not covered by insurance
- Pay funeral expenses of the participant's non dependent adult son/daughter.

Before releasing the new ruling, they also looked at possibly allowing accumulated credit card debt. However, that was not passed. The reason is credit card debt is not due to an extraordinary and unforeseeable circumstance or the result of events beyond the participant's control. If you would like to review the article from the IRS please click [here](#).

This newsletter is provided for informational purposes only and is not intended as legal, tax or investment advice. Readers of the PlanConnect® Newsletter should consult their attorneys or tax advisors before making decisions on any matter discussed in this Newsletter.

New law clears the way for in-plan rollovers to ROTH accounts.

If you currently participate in a 457(b) plan and have been longing for the option to add a ROTH investment option, you are now in luck. The IRS has announced a new law that will allow sponsors of a governmental 457(b) plan to add a designated ROTH account to their plans for taxable years beginning after 2010. It will also allow these plans to be amended to allow the in-plan eligible rollover distribution (ERD) transfer to a participants ROTH account, as long as the ERD conditions are met. Here are the ERD conditions:

- From a non-designated ROTH account in the same plan
- Because of an event that triggers an ERD from the plan; and
- Otherwise meets the rollover requirements.

Please click [here](#) to read the full article from the IRS.

Syracuse Fun Fact

Every year five cities located within the Snow Belt in New York State (Syracuse, Buffalo, Rochester, Binghamton and Albany) all compete in the Golden Snowball Competition. They go head to head to see who is blessed with the most snowfall within the season. For the last eight years Syracuse has won the coveted award. It looks as though we are well on our way to snagging the title again for the ninth consecutive year.



As of March 15, 2011 the snow fall total was 174.2 inches. To provide you with a comparison the average yearly snowfall in the city of Syracuse is 121.1 inches while the record snowfall was 192.1 inches, set during the 1992-1993-winter snow season. If you would like to follow the race for the Golden Snowball Award please go to <http://www.goldensnowball.blogspot.com/>.