



Pension & Benefits Quarterly

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March 2020

Qualified Retirement Plans Updates

By Ami Givon | GCA Law Partners LLP

Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act): The SECURE Act, signed into law on December 20, 2019, made the most comprehensive set of changes to tax-favored retirement programs since the Pension Protection Act of 2006. Changes include:

Required Distributions: The attained age that determines the time at which lifetime required minimum distributions (RMDs) from Internal Revenue Code (Code) section 401(a), 403(b) and 457(b) plans, and non-Roth individual retirement accounts (IRAs) must commence has been changed from age 70½ to age 72, effective for individuals who had not attained age 70½ before 2020.

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“We know that all of our members and sponsors are doing their best to deal with the disruptions with many now working fully from home.”

Karen Mack,
Altman & Cronin
Benefit Consultants

President's Letter - Pg 2

President's Letter

A Season to Remember!

Welcome back to our newsletter. I hope everyone had a wonderful holiday season and that your New Year's resolutions are going well so far. I can't believe we are already well into 2020!

I would be remiss if I did not mention that the events surrounding COVID-19 are changing the way we all do things at work and at home. We know that all of our members and sponsors are doing their best to deal with the disruptions with many now working fully from home. Our March 24th event was postponed and our Board and Program Committee members will remain hard at work to deliver fulfilling educational and networking events for the second half of our 2019-2020 program. Please watch for updates for the next Chapter meeting and stay safe!

We had a busy end of the year with a couple of sessions and a field trip since our Fall newsletter. On December 5th, we hosted a program session and holiday party with an interesting panel discussion on Service Provider RFP Evaluation Best Practices. Our speakers were Byron Treichler from Fidelity Investments and Frank Pyles from Vanguard. Karen Casillas from CAPTRUST was the moderator. Thanks to Schwab for hosting this great holiday event.

We recently kicked off the second half of the program year with a legislative and regulatory update on February 11th focusing on the SECURE Act with Robert Holcomb, from Empower. It was very well attended. Thanks to Hanson Bridgett for providing the venue, T.Rowe Price for being the sponsor, and to the Program Committee chairs, Karen Casillas and Yana Johnson for organizing the session.

We also had a field trip on February 5th with a guided tour at the U.S. Court of Appeals - Ninth Circuit in San Francisco. The field trip was organized by Lori McKenzie and the trip was hosted by Robert Gower. The next field trip is still in the incubation phase, so please let Lori know if you have any interesting ideas.

This organization exists to benefit its members and we need your continued support. If you haven't yet renewed your membership, please do so at your earliest convenience. If your organization is looking to be a sponsor and you missed out on the 2019/2020 year, please keep us in mind for 2020/2021 as you are setting budgets. It is the generosity of our sponsors that enable us to continue delivering valuable programming and networking opportunities for the benefits community.

Stay healthy and I hope to see you at our next chapter meeting!

Karen Mack, FSA, EA, MAAA
Altman & Cronin Benefit Consultants



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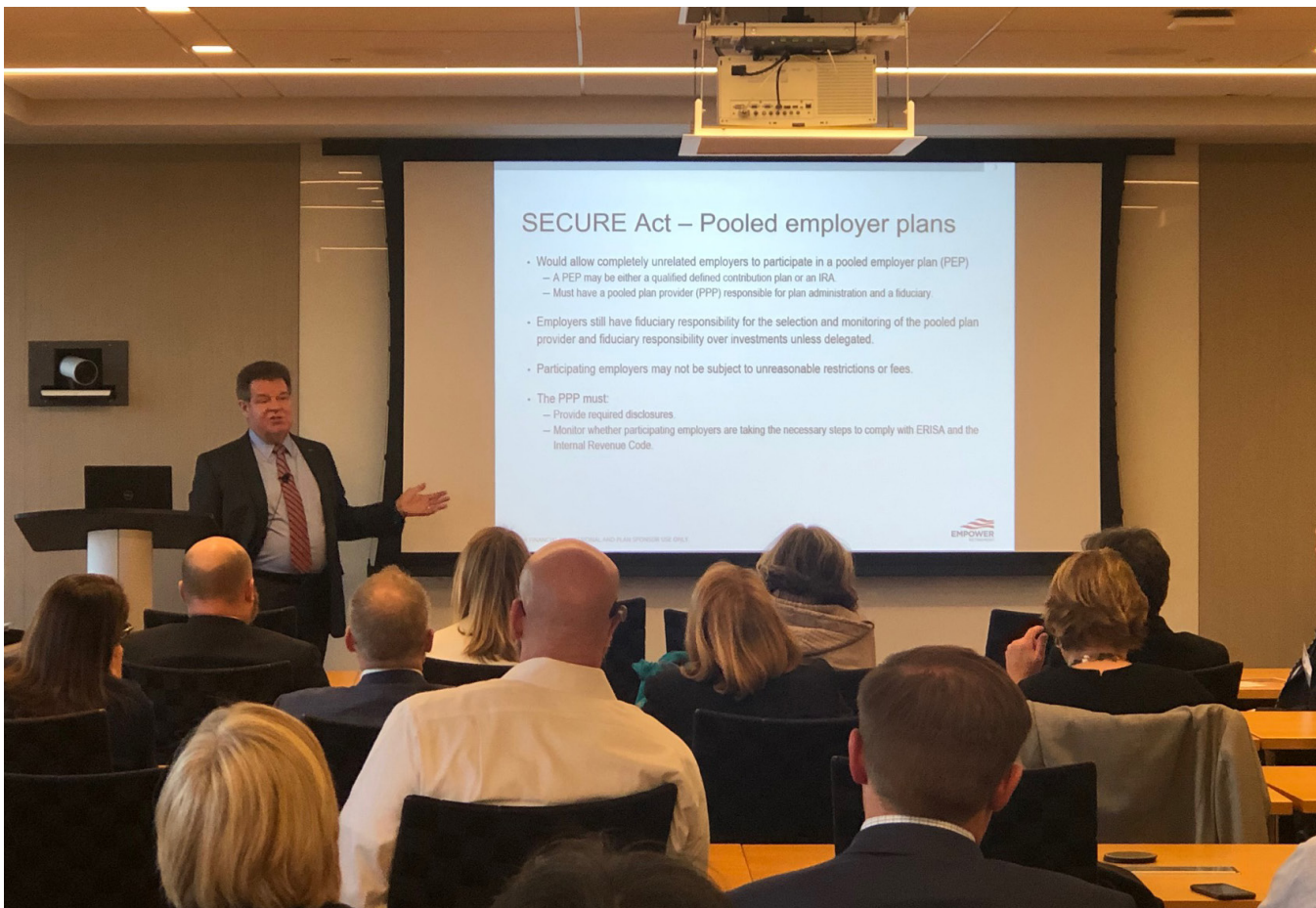
February 11th Chapter Meeting Recap

On February 11, 2020, the Chapter held a presentation on the new retirement policy landscape, featuring speaker **Bob Holcomb, Vice President of Legislative and Regulatory Affairs at Empower Retirement**. Bob discussed changes in legislation and regulation as a result of the SECURE Act.

The event was well attended and provided valuable insights in to the new law, which will affect access to retirement plans, coverage by those plans, the level of savings by plan participants and the availability of retirement income solutions. Bob's presentation educated members about the history behind SECURE, the details within each provision and reflected on the impacts of these initiatives once they are in effect and the hidden opportunities and obstacles which are in store for plan sponsors, participants and providers. Moreover, the presentation offered contemplation for additional retirement legislation on the horizon and what it may mean for the retirement system and its stakeholders.

The event was interactive and included many questions and comments from attendees. The event was held at Hanson Bridgett's San Francisco office with lively conversation spilling over into the social hour, which included delicious food and beverages.

A special thank you to Hanson Bridgett for providing the venue.



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February 11th Chapter Meeting Recap continued



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Angelo Gutierrez, Karen Casillas, Jennifer Schuessler



Kevin Nolt and Adrine Adjemian



Robert Gower and Brian Montanez



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Qualified Retirement Updates, continued

Payments from tax-favored plans (including IRAs) to a designated beneficiary of an individual who died before beginning to receive lifetime RMDs must now be completed within 10 years following the year of death of the individual. Exceptions permit payments to be made over the life expectancy of a designated beneficiary who is (1) a surviving spouse, (2) a disabled or chronically ill individual (or certain trusts for the same), (3) a beneficiary no more than 10 years younger than the participant or (4) a minor child of the participant (generally until the child reaches majority). These changes are generally effective with respect to participants and IRA owners who die after 2019, with special rules applicable for deaths prior to January 1, 2020, and certain commercial annuities, as well as special effective dates for collectively bargained and governmental plans.

401(k) Plans: Part-time employees (other than collectively bargained employees) must be eligible to make elective deferrals under their employer's 401(k) plan once they have (1) reached age 21 and (2) worked at least 500 hours in three consecutive 12-month periods. Employees so eligible are not required to receive employer matching, profit sharing or top heavy minimum contributions, and are not taken into account in nondiscrimination testing. This change is effective for plan years beginning after 2020. Periods before 2021 are not taken in account for 12-month period measuring purposes.

The maximum permissible automatic deferral rate for qualified automatic contribution arrangements has been increased (other than for the employee's first participation year) from 10% to 15%, effective for plan years beginning after 2019.

Safe harbor 401(k) plans that rely on nonelective contributions are no longer required to provide safe harbor notices. Also, a plan may be amended to become a nonelective 401(k) safe harbor plan either (1) before the 30th day before the close of the plan year or (2) after the 30th day before the close of the plan year if it is amended to provide for a nonelective contribution of at least four percent of compensation for all eligible employees and the amendment is made by the last day for distributing excess contributions for the plan year. These changes are effective for plan years beginning after 2019.

Distributions upon Birth or Adoption of Child: Defined contribution plans and IRAs may permit withdrawals of up to \$5,000 within one year following the birth or legal adoption of a child, effective for withdrawals after 2019. Withdrawn amounts are not subject to the 10% additional tax under Code section 72(t) and are not subject to mandatory withholding. They may be recontributed back to a plan or IRA.

No Credit Card Plan Loans: Plan loans may not be made after December 20, 2019, through credit cards.

Closed and Frozen Plans: Expanded relief from nondiscrimination, minimum coverage, and minimum participation testing is provided for closed and frozen plans, generally effective December 20, 2019.

Lifetime Income Provisions: Defined contribution plans are required to issue, at least once during a 12-month period, a lifetime income disclosure that sets forth the "lifetime income stream equivalent" of the participant's account balance. This requirement becomes effective 12 months after the date the Department of Labor (DOL) issues applicable interim final rules and model disclosures, which the DOL is directed to do by December 20, 2020.

A safe harbor with specified conditions is now available for a fiduciary's selection of an insurance company that issues a "guaranteed income contract" made available under a defined contribution plan, effective December 20, 2019.

The elimination of a "lifetime income investment" option is a distribution event for Code section 401(a),

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QUALIFIED RETIREMENT UPDATES

Qualified Retirement Updates, continued

401(k), 403(b) and 457(b) plans, effective for plan years beginning after 2019.

Pooled Employer Plans: Unrelated employers may participate in a “pooled employer plan” (a new type of multiple employer plan that satisfies specified requirements). A pooled employer plan will be treated as a single employer plan for purposes of Title I of ERISA, regardless of whether there is “commonality” among participating employers. The Code has been amended to eliminate the rule under which the entire plan would be disqualified upon a disqualifying event of any participating employer. These changes are effective for plan years beginning after December 31, 2020.

Increases in DOL Penalties: The penalty under Code section 6057 for the failure to file an annual report for a retirement plan (Form 5500 series) has been increased to up to \$250 per day and a maximum of \$150,000 per annual report. The penalty for failing to file a registration statement when due has been increased to \$10 per participant per day, up to a maximum of \$50,000. Failing to file an updated registration statement can result in a penalty of \$10 per day per participant, up to a maximum of \$10,000. The increases apply to returns and statements required to be filed after December 31, 2019.

Tax Credit for Plans of Small Employers: The amount of the income tax credit for an eligible employer with 100 or fewer employees for qualified start-up costs of adopting a new qualified retirement plan (as defined for purposes of that credit) is increased to up to \$5,000 for three years. An additional nonrefundable credit (up to \$500 per year for three years) is available for small employers that establish plans that include automatic enrollment or add automatic enrollment as a feature to an existing plan. These changes are effective for taxable years beginning after 2019.

Deadline for Plan Adoption: A Code section 401(a) plan now may be adopted for a taxable year as late as the deadline for filing the employer’s tax return for the taxable year (including extensions), effective for plans adopted for taxable years beginning after 2019.

Other Defined Benefit Plan Provisions: Certain frozen “community newspaper plans” may elect to apply alternative funding rules to the plan and other plans sponsored by members of the controlled group, effective retroactively to plan years ending after December 31, 2017.

Pension Benefit Guaranty Corporation (PBGC) insurance premiums for cooperative and small employer charity plans are set at \$19 per participant and \$9 for each \$1,000 of unfunded vested benefits, effective for plan years beginning after December 31, 2018.

Other IRA and Defined Contribution Plan Changes: The prohibition on IRA contributions by individuals age 70½ or older is repealed. Under a related change, the amount of a qualified charitable contribution from an IRA that an individual who has attained age 70½ may otherwise make for a year is reduced (but not below zero) by the aggregate amount of deductions allowed for IRA contributions which the individual made in prior years by virtue of this repeal. These changes are effective for contributions for years after 2019.

Payments made to aid individuals in the pursuit of graduate or postdoctoral study or research is treated as compensation for IRA purposes, effective for years after 2019.

Foster care payments excludable under the Code section 131 “difficulty of care” exemption may be made to an IRA as after-tax contributions, effective for contributions after December 20, 2019. Also, such payments will be treated as compensation for purposes of Code section 415(c), and contributions to a defined contribution plan allocable to them will be treated as after-tax contributions, effective for plan years beginning after December 31, 2015.

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Qualified Retirement Updates, continued

529 Plan Distributions: Tax-free distributions from Code section 529 plans are permitted for certain apprenticeship program expenses and qualified student loan repayments of up to \$10,000 per individual, effective for distributions made after December 31, 2018.

403(b) Plan In-Kind Distributions: The Treasury Department is directed to issue guidance allowing for in-kind distributions from a terminated 403(b) plan, effective retroactively for plan years beginning after 2008.

Church 403(b) Plans: Code section 403(b) is amended to clarify that employees of nonqualified church-controlled organizations may be covered under a Code section 403(b) plan that consists of a retirement income account, effective for all years.

Benefits for Volunteer Emergency Responders: The Code section 139B exclusion for state or local tax benefits and qualified reimbursement payments provided to members of volunteer firefighters and emergency medical responders is reinstated, but only for 2020, and the per month maximum for determining the applicable limitation is increased from \$30 to \$50.

Plan Amendment Deadline: Plans must be amended by the last day of the 2022 plan year (2024 plan year for governmental and collectively bargained plans) to reflect applicable SECURE Act changes, unless the Treasury Department provides for a later amendment deadline. Plans must still be operated in accordance with each applicable provision beginning on its effective date. Amendments made after the effective date will not be deemed to violate the anti-cutback requirements, unless otherwise provided by the Treasury Department.

In-service Distributions from Pension and Governmental 457(b) Plans: The Bipartisan American Miners Act of 2019, enacted together with the SECURE Act, lowered from age 62 to age 59½ the age at which pension and governmental Code section 457(b) plans may permit in-service distributions, effective for plan years beginning after 2019.

Required Amendments List for 2019: In Notice 2019-64, the IRS issued its Required Amendments List for 2019 (2019 RA List) for individually designed Code section 401(a) plans and individually designed Code section 403(b) plans.

The 2019 RA List requires that individually designed 401(a) and 403(b) plans that (1) provide for a suspension of elective deferrals or employee contributions as a condition of receiving a hardship distribution of elective deferrals or (2) do not require a representation from an employee that he or she has insufficient cash or liquid assets reasonably available to satisfy the need, must be amended as necessary by December 31, 2021, to eliminate the suspension and provide the representation, for hardship distributions made on or after January 1, 2020.

In addition, the 2019 RA List requires that collectively bargained cash balance/hybrid defined benefit plans maintained pursuant to one or more collective bargaining agreements ratified on or before November 13, 2015, must be amended by December 31, 2021, to the extent necessary to comply with those portions of the regulations regarding market rate of return and other requirements that first became applicable to the plan for the plan year beginning on or after the later of: (1) January 1, 2017, and (2) the earlier of (a) January 1, 2019, and (b) the date on which the last of those collective bargaining agreements terminates (determined without regard to any extension thereof on or after November 13, 2015).

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Qualified Retirement Updates, continued

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Further Extension of Temporary Nondiscrimination Relief for Closed

Defined Benefit Plans: In Notice 2019-60, the IRS extended through plan years beginning before 2021 the temporary nondiscrimination relief for certain closed defined benefit plans (plans that before December 31, 2013, were amended to limit future benefit accruals to some or all employees who were participants as of a specified date) that was first provided in IRS Notice 2014-5 and extended in subsequent IRS notices. Extension of relief will be provided if the conditions set out in Notice 2014-5 are satisfied. *(Note: The SECURE Act, which was adopted after the issuance of Notice 2019-60, provides for expanded relief for closed plans.)*

Updated Static Mortality Tables for Defined Benefit Plans for 2021: IRS Notice 2019-67 provides updated static mortality tables to be used for calculating the funding target and other items for defined benefit plans for valuation dates occurring during the 2021 calendar year. The notice also includes a modified unisex version of the mortality tables for use in determining minimum present value under Code section 417(e)(3) and ERISA section 205(g)(3) for distributions with annuity starting dates that occur during stability periods beginning in the 2021 calendar year.

Extension of Deadline for Hardship Distribution Amendments to Pre-approved Plans: In Revenue Procedure (Rev. Proc.) 2020-9, the IRS clarified that all amendments that relate to a plan's hardship distribution provisions that are effective no later than January 1, 2020, are treated as integral to amendments required by the final hardship distribution regulations (i.e., amendments to remove a plan provision suspending an employee's contributions following a hardship distribution of elective deferrals and requiring an employee's representation relating to his or her need for a hardship distribution, if the plan does not already provide for such a representation), and extended until December 31, 2021, the deadline for pre-approved plans to adopt interim amendments with respect to those required and related integral amendments.

Third Six-year Remedial Amendment Cycle for Pre-approved Defined Benefit Plans: In Rev. Proc. 2020-10, the IRS announced that the third six-year remedial amendment cycle for pre-approved defined benefit plans begins on May 1, 2020, and ends on January 31, 2025. It further provides that the on-cycle submission period for providers to submit applications for opinion letters for pre-approved defined benefit plans will begin on August 1, 2020, and end on July 31, 2021.

Increase in Statutory Penalties for ERISA Violations: On January 15, 2020, the DOL issued its final rule providing for inflation-adjusted increases for statutory penalties for ERISA violations, as required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. Among the increases was the maximum penalty for failure to file a Form 5500 to \$2,233 per day. The increases apply to penalties assessed after January 15, 2020 (with respect to violations occurring after November 2, 2015). *(Note: The penalties for ERISA violations are separate from the Code penalties that were increased by the SECURE Act.)*

Covered Compensation Tables for 2020 Plan Year: The IRS in Revenue Ruling 2020-2 issued tables of covered compensation under Code Section 401(l)(5)(E) for the 2020 plan year.

Proposed Updated Life Expectancy and Distribution Period Tables: On November 8, 2019, the IRS issued proposed regulations that would update the life expectancy and distribution period tables for purposes of calculating required minimum distributions from qualified plans, IRAs and other tax-favored retirement accounts. The proposal, issued in accordance with Executive Order 13847, follows a determination by the Treasury Department and IRS that the tables should be revised to reflect the increase in life expectancies since the current tables were issued. The new tables are proposed to be effective for distribution calendar years beginning on or after January 1, 2021. *(Note: The proposed regulations do not take into account the subsequent changes to the required beginning date made by the SECURE Act.)*

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Qualified Retirement Updates, continued

PBGC Developments:

Increase in Penalties: In accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the PBGC has increased to \$2,233 per day (up from \$2,194 per day) the maximum amount it may assess as ERISA section 4071 penalties for failure to provide certain notices or other material information, and to \$297 per day (up from \$292 per day) the maximum amount it may assess as ERISA section 4302 penalties for failure to provide certain multiemployer plan notices. The increases took effect January 15, 2020.

Increase of Maximum Monthly Benefit Guarantee Limits for 2020: The PBGC has issued its table showing the 2020 monthly maximum benefit guarantees for single-employer plans. The 2020 guarantee limits for single-employer plans are 3.65% higher than the 2019 limits due to indexing as required by ERISA.

Amendment of Regulations on Allocating Assets in Terminating Single-employer Plans: On December 9, 2019, the PBGC issued its final rule amending its regulation on the allocation of assets in single-employer plans by substituting a new table for determining expected retirement ages for participants in pension plans undergoing a distress or involuntary termination with valuation dates falling in 2020. On December 13, 2019, the PBGC issued its final rule amending its regulations on benefits payable in terminated single-employer plans and allocation of assets in single-employer plans to prescribe certain interest assumptions under the benefit payments regulation for plans with valuation dates in January 2020 and interest assumptions under the asset allocation regulation for plans with valuation dates in the first quarter of 2020. Both new rules are effective January 1, 2020.



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Health and Welfare Updates

By Brian Patton and Elizabeth Harris
Orrick, Herrington & Sutcliffe LLP



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The SECURE Act Includes Important Health and Welfare Provisions

On December 19, 2019, Congress enacted the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act) as part of its year end spending bill. President Donald Trump signed the SECURE Act into law the following day. While the SECURE Act is particularly important with regard to retirement plan legislation, the SECURE Act included a number of significant provisions related to health and welfare.

a. The SECURE Act Fully Repeals Certain Health Related Taxes and Fees

The SECURE Act fully repealed the Affordable Care Act (ACA) excise tax on high-cost employer medical plans (the Cadillac Tax), that would have been imposed on both employers' and employees' share of health coverage costs, as well as their contributions to health reimbursement arrangements, health savings accounts and medical flexible spending accounts. The Cadillac tax was going to be equal to 40% of the cost of health coverage that exceeded the predetermined statutory threshold amount of \$11,200 per year for an individual policy or \$31,150 for family coverage. The tax was scheduled to take effect in 2018, but Congress delayed its implementation and following the passage of the SECURE Act, the tax will not go into effect.

The SECURE Act also fully repealed the ACA's 2.3% excise tax on the value of medical devices sold in the United States (the medical device excise tax). The medical device excise tax was already suspended by Congress and had not been in effect since January 1, 2016. This repeal is effective for sales after 2019.

In addition, beginning after 2020, the SECURE Act will fully repeal the ACA annual fee on health insurance providers (HIT). The HIT imposed a fee on each covered entity that operated a business providing health insurance for domestic health risks. The HIT applied to a wide range of policies, including individual and small group markets, insured employer plans, Medicaid managed care, Medicare Part D and Medicare Advantage Plans. The fee was apportioned among health insurers based on their percent of total sales in the industry and their premiums written. The fee was temporarily prohibited in 2017 and 2019.

b. The SECURE Act Extends Expiring Health and Welfare Provisions by One Year

The SECURE Act notably extends the following expiring health and welfare related provisions through 2020:

- The employer credit for paid family and medical leave provided under recently enacted Internal Revenue Code (Code) Section 45S. Under Code Section 45S, this paid family and medical leave credit ranges from 12.5% to 25% of the amount of wages employers paid to eligible employees for two to 12 weeks of family and medical leave annually, if such wage payments equal or exceed half of the wages they normally pay to an employee.
- The reduced threshold of 7.5% of adjusted gross income for medical deductions (such threshold was originally reduced from 10 percent to 7.5% in 2017).
- The Health Coverage Tax Credit (HCTC), which is a refundable tax credit that subsidizes most of the qualified health insurance costs for eligible individuals and their family members. To satisfy the eligibility requirements of the HCTC, an individual must be eligible for Trade Adjustment Assistant allowances by suffering a qualifying job loss or having their defined pension plan taken over by the Pension Benefit Guaranty Corporation due to financial difficulties.

Health and Welfare Updates, continued

c. The SECURE ACT Significantly Increases the Penalties for Late Filing of Plan Returns and Related Notices

While the SECURE Act includes a number of tax breaks for plan sponsors of health and welfare benefit plans, it also contains some non-advantageous changes in the law for such entities or individuals. One change in the law that plan sponsors of the health and welfare benefit plans should take heed of is the dramatic increase in the penalties for late filing of plan returns and related notices. Such changes are already in effect as they apply to returns, statements and required notices that are provided after December 31, 2019. These increases in penalties are intended to help the government offset the losses in revenue they will suffer due to the tax breaks provided by the SECURE Act.

Under the SECURE Act, the penalties under the Code have increased tenfold for plan sponsors of health and welfare benefit plans who fail to timely file a plan's annual return on Form 5500. Previously, under the Code, such penalty was \$25 for each day of late filing up to a maximum of \$15,000. Under the SECURE Act, the penalty for failure to file a Form 5500 is now \$250 per day and up to a maximum of \$150,000.

The SECURE Act also includes a tenfold increase in the penalties for failure to file a registration statement and notification of certain changes (e.g., name, plan administrator, plan termination, corporate transaction) on Form 5500. The penalty for these types of failures increased from \$1 per day for each participant with respect to whom the failure applies to \$10 per participant per day. Further, the maximum penalty for failing to file a required notification of certain changes has increased from \$1,000 to \$10,000 and the maximum penalty for failing to file a registration statement is now \$50,000 with respect to any plan year (up from \$5,000).

Proposed Regulations Have Been Issued to Increase Transparency in Health Care Coverage Offered by Group Health Plans and Health Insurance Issuers

In response to President Trump's Executive Order on Improving Price and Quality Transparency in American Health and Human Services, the Internal Revenue Service, Department of Labor, and Department of Health and Human Services have issued proposed regulations aimed at increasing consumer access to price information for health costs when third party payers are involved to incentivize consumers to purchase health care based on price and value. The proposed regulations would require certain group health plans and health insurance issuers in the individual and group markets to make available any individual's out-of-pocket costs for covered items or services from a particular health care provider. More specifically, under the proposed regulations, health plans and health insurance issuers would be required to disclose information for covered items and services on an internet website and if requested by participants, through non-internet mediums. Making this information more readily available will hopefully enable participants to attain an accurate estimate and understanding of their out-of-pocket costs and to capably shop for covered items and services. In addition, the proposed regulations would also require that health care plans and health insurance issuers make available the price they negotiated with health-care providers or the "allowed amount" from "out-of-network" health care providers through two machine readable files. An allowed amount is the maximum amount a health plan will pay for a covered health-care service, while an "out-of-network" provider is a health-care provider who has not signed a contract agreeing to accept the health insurer's negotiated prices. The proposed regulations were released jointly with final regulations that require hospitals to list their "standard charges" for items and services they offer.

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Member Profile: Byron Pogir

Company: Woodruff Sawyer

Title: Account Executive

Education: Bachelor of Science Mechanical Engineering

Years in the industry: 22

Please tell us about your first “real” job:

After graduating with my engineering degree I was recruited by Dresser-Rand into their Sales Engineering program. I had always wanted to be in business development, and this was a natural fit.



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BUSINESS BACKGROUND

Nature of your work: I am part of a team of fiduciary investment advisors. Our initial interaction with a plan sponsor generally involves an RFP, plan design review and benchmarking. We then help with their corporate governance including helping them draft an Investment Policy Statement, Board Resolutions & Committee Charter. Regular committee meetings are then held, minutes taken, ongoing supervision of the plan's investments, reviewing the plans overall participation and health, and always finishing with discussion around the financial wellness of the participants.

How you got into the field: I was hired in 1998 by Salomon Smith Barney as a fee-based wealth manager. In 2006, I moved back to South Africa where I was born to join a 50-person Property & Casualty, Benefits, Wealth Management, & Retirement Plan Practice called the Pogir Group. I joined the RPS practice and within two years was running the division. I was lucky to find Woodruff Sawyer when I moved back in 2018 as it was basically a much bigger version of Pogir Group.

What you like about the field: With the move to companies offering defined contribution plans, the onus is now on the participant to not only save for retirement, but figure how to do it themselves in most cases. I love helping with their financial wellness which many times begins as discussions at the committee level to understand their participants needs so we can provide meaningful education to their employees. My engineering degree also plays a material part in addressing the quantitative side of the business in unpacking all the fees and presenting them in laymen's terms to committees and needed participants.

PERSONAL

Ways you spend free time: I used to be a competitive cyclist and living in the East Bay there is tons of great riding. I also ride Adventure Motorcycles and try to get away once a month for quick two-day rides and then a couple of times a year for a weeklong ride. I'm also lucky that all my family lives in the East Bay so we get to spend a lot of time together

Guiding philosophy: Give and you will receive

Favorite charities: Cooperative for Assistance and Relief Everywhere

Last books read: "Super Pumped - the Battle for Uber" Elon Musk, "The Secrets of Sandhill Road"

Restaurant recommendations: Sauced in Walnut Creek if you're a BBQ fan.

Continued pg 19

Member Profile continued: Byron Pogir

What will you do when you retire: Having been a wealth manager and worked with retirees I know that we need to have a reason to get up in the morning. I would like to be financially independent so I can be in control of what I want to do when that time comes.



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Member Profile: Justin Wilson

Company: State Street Global Advisors

Title: VP, Senior Retirement Director

Education: B.B.A in Finance, University of Cincinnati

Years in the industry: 12

Please tell us about your first “real” job:

My first real job was a summer job working at a local golf course in Ohio, where I grew up. I washed golf carts, changed pins, raked bunkers and mowed the rough. I hated it at first because I had to be at the course at 5:30 a.m. But, I eventually fell in love with it because it allowed me to golf every afternoon until the sun went down. Because of that job, golf has been a big part of my life, playing in college and still playing some amateur tournaments to this day.



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BUSINESS BACKGROUND

Nature of your work: I represent State Street Global Advisors and work with DC Advisors/Consultants on the West Coast and Rockies. I am primarily focused on the 401(k) space.

How you got into the field: My first job out of college was an entry level finance/accounting role for the distribution arm of a variable annuity company in Boston. I sat on the same floor as the internal sales desk and became friends with some of the folks in that department. After two years in the finance/accounting role I jumped to the internal sales desk and have been on the distribution side of the industry ever since.

What you like about the field: In my role specifically, every day is different. I meet with hundreds of advisors/consultants each year. The conversations and meetings are always different and changing as our industry changes. I'm always learning new things and helping my advisors/consultants learn new things. Plus I have become good friends with a lot of people along the way.

PERSONAL

Ways you spend free time: Most of my free time these days is spent with my wife and 18-month-old son. We have another boy on the way, due in July, so I don't see any more free time in the near future. But when I have time I try to spend it at the golf course in summer, or in the mountains of Colorado in the winter.

Guiding philosophy: The harder you work the luckier you get

Favorite charities: Ohio State University Cancer Research Center

Last books read: “Range: Why Generalists Triumph in a Specialized World” by David Epstein. It is a great read around the idea of not specializing early, whether it is sports, business or education.

Restaurant recommendations: My wife and I now live in Colorado, but when we were in San Francisco our favorite spots were Nopa, North of the Panhandle and Plow in Potrero Hill.

What will you do when you retire: My wife is from Boston and Cape Cod is a special place for us. Summers will probably be spent back East and hopefully winters will be spent in the mountains. I hope both of those are enticing enough for our children to come visit.



December 5th Chapter Meeting Recap

On December 5th, we hosted a program session and holiday party which featured a panel discussion on Service Provider RFP Best Practices. Our speakers were **Byron Treichler** of **Fidelity Investments** and **Frank Pyles** of **Vanguard**. **Karen Casillas** of **CAPTRUST** was the moderator.

Byron and Frank have collectively worked on hundreds of RFPs and shared what plan sponsors and advisors should consider when conducting a change in service provider RFP – from RFP content, to prepping bidding vendors for finals meeting and how to conduct the process in order to select the ideal vendor for your retirement plans.

Frank and Byron walked the group through the steps needed to ensure a sound RFP process. The three phases of Preparation, Implementation, and Decision-Making were discussed.

In addition, they discussed RFP trends and insights from the service provider perspective and then walked us through the 10 commandments of service provider RFP evaluations. Fundamentally, preparation and organization are the key to success. It is important that plan sponsors take their time and ask clarifying information to ensure that they garner all relevant details. Sponsors should strive to conduct a fair and prudent process and be sure to document decisions made.

Some takeaways from the discussion:

In response to the question of what they wished plan sponsors knew going into the RFP process, they said that the process runs best when the decision makers are involved in the process from the beginning, rather than have it fully driven by procurement. They also emphasized the importance of allowing sufficient time for in-person interviews, as the differences between the firms can sometimes get lost in the RFP details.

In their view, a plan sponsor should evaluate more than simply the overall cost, as they felt that the cheapest vendor will likely not provide exceptional service and in the long run a poor vendor may cost the plan sponsor more in your staff's time, inaccuracies and corrections.

Other challenges in the industry they discussed include:

- Fee compression - all plan sponsors want more for less and it is leading to vendor consolidation.
- Cybersecurity – is now a requirement in all RFPs with many responses sounding alike even though there are vast differences.
- Online RFP services - some are pay to play, some are very inexpensive as they scale responses. The jury is out if they are adding real value. Most plan sponsors want and need quality consulting with vendor questions customized to their unique situation. They want their advisor to provide expertise to narrow down the field and find a worthwhile, value-added business partner at a reasonable fee.

Thanks again to Frank and Byron for a lively, insightful and enjoyable session.

A special thank you to Schwab for providing the venue.



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The Newsletter welcomes contributions from its members. If you would like to submit a topical benefits-related article for an upcoming issue, please contact the chapter at info@wpbcfsf.org.

Special thanks to Bryan Card for help in drafting and editing newsletter articles.

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