

The Blue Chip Blast – August, 2023

A Message from the President

Welcome aboard COE Administrator's retirement plans!

COE Administrators LLC, a third party retirement plan administration firm in Oshkosh, WI administering over 275 plans has recently merged with Blue Chip Retirement Plans, Inc. This will bring Blue Chip's total plan count to over 800 plans administered. Four COE associates will also be coming over to Blue Chip.

From COE's Director of Sales, Ken Siedenbug: *"Like Coe Administrators, Blue Chip is dedicated to customers. Their exceptional work ethic, personalized, high touch service mirrors that of Coe and made uniting with Blue Chip an easy choice. The additional experience and knowledge that this brings to customers will only strengthen our ability to provide exceptional services that clients have come to value."*

The Blue Chip team is excited to work with COE's valued plan clients, investment advisors and Administration personnel. Welcome Aboard!

IRS Puts the Brakes on Changes to Catch Up Contributions

On August 25, 2023, the IRS issued guidance that delays the effective date of the provision mandating that catch up contributions be made as Roth contributions for someone earnings over 145,000 in FICA wages until 2026. This guidance comes as a relief to many who were still working on putting the programming in place to handle the provision. This delay is a big win for plan sponsors, recordkeepers, payroll companies, participants and third-party administrators.

IRS Technical Glitch???

Over the last couple of weeks many plan sponsors have received letters from the IRS suggesting their 2022 Form 8955-SSA was filed late and a penalty is being assessed. We have learned that many of our clients are getting these letters and in all cases the returns were timely filed. At this time the IRS is reviewing the situation and has indicated they will issue guidance on how to proceed. If you have received a letter, contact your Compliance Consultant so we can respond on your behalf based on the guidance the IRS provides.

So Many Notices – What is Required and When...

Both the IRS and DOL have many regulations requiring that Participants receive notices of various provisions in the Plan. It can get very confusing to know which notices are needed, when they are needed and where these notices come from. The chart that follows is a summary of the most common notices related to Defined Contribution plans.

SECURE 2.0 added a provision that certain intermittent notices to unenrolled Participants (an employee who is eligible for the Plan but has no balance in the plan) are not required. An Annual notice is required for this group advising of their eligibility.

SECURE 1.0 added that Safe Harbor notices are not required for a plan using the 3% contribution. We still recommend sending them for two reasons. If your plan also has an ACP Safe Harbor Match provision it cannot be used without a notice. More importantly is that the Notice contains language indicating that the Safe Harbor provision can be suspended at anytime in the

future with notice provided. It is not clear that a Sponsor would have the ability to cease a SH 3% contribution mid year if this annual notice was not provided with that language.

Notice Type	Timing Requirement	Source of Notice
401(k) Safe Harbor Notice*	Provided 30-90 days prior to the beginning of each Plan Year and prior to first entering the Plan	This notice is either provided by Blue Chip for the Plan Sponsor to distribute or you may have engaged your Recordkeeper to distribute on your behalf
Automatic Enrollment Notice*	Provided 30-90 days prior to the beginning of each Plan Year and prior to first entering the Plan	This notice is either provided by Blue Chip to the Plan Sponsor to distribute or you may have engaged your Recordkeeper to distribute on your behalf
Fee Disclosure Notice (not applicable if the plan does not allow participants to direct the investment of their accounts)	Annually, but at least once in any 14 month period	Recordkeepers typically prepare and distribute this notice but some will provide to the Plan Sponsor for distribution
Qualified Default Investment Alternative (QDIA)*	Provided 30 days prior to the beginning of each Plan Year and prior to first entering the Plan	Recordkeepers typically prepare and distribute this notice but Blue Chip does provide a master to the Plan Sponsor if the recordkeeper does not
Summary Annual Report (SAR)	Annually within 9 months of the end of each Plan Year unless Form 5500 is extended in which case 2 months after the extended due date of the Form 5500.	Blue Chip provides a master copy of this notice for the Plan Sponsor to distribute
Summary Plan Description (SPD)	Provide within 90 days of becoming eligible. An updated SPD is required when significant changes are made to the Plan as well (See SMM)	Blue Chip provides a master copy of this notice for the Plan Sponsor to distribute
Summary of Material Modifications (SMM)	This amends prior provisions in the SPD when an amendment to the Plan is made. This must be distributed within 210 days after the year of the change, though to keep Participants up to date with what the plan offers we recommend more rapid distribution of the SMM	Blue Chip provides a master copy of this notice for the Plan Sponsor to distribute

*Only applies if your Plan contains these provisions.

Meet the Blue Chip Staff

Brittany Kaatz – Compliance Consultant



Brittany joined Blue Chip in May of 2023 and loves working with 401k plans! Her focus is to provide an amazing 401k experience for every one of our clients while constantly growing and expanding her knowledge in the industry.

She and her husband live in Hilbert, WI. They have 4 young children, along with a dog Squishy and a cat Bob. While not working, her interests include Mixed Martial Arts, playing piano, cooking/baking, gardening, and painting.