



The Blue Chip Blast – May, 2022

SECURE 2.0

Just when you thought you had your plan documents completed, Congress considers making more changes to retirement plans.

Securing a Strong Retirement Act of 2022 (SECURE 2.0 or the Act, HR 2954) expands on the SECURE Act (Setting Every Community Up for Retirement Enhancement - SECURE Act, PL 116-94) that was passed in December of 2019. The bill passed in the House on March 29, 2022 and was introduced in the Senate on May 10, 2022 with an expectation that it will pass there also before the end of the year.

Some key features of this bill include:

- Expands (and in some cases requires) automatic enrollment features in retirement plans
- Increases age for beginning pay date for required minimum distributions (RMDs)
- Enhances and modifies the age 50+ catch-up provisions
- Creates an online database to search for lost and/or forgotten pension benefits
- Modifies rules for Long-Term Part-Time Employees
- Requires at least one benefit statement annually to be issued on paper

We will monitor this bill's progress closely and advise if anything will need to be done before the end of the year to keep your plan document compliant with current law.

How to avoid being Scammed

It seems we just discussed the threat to plan participants from hackers and scammers, but the schemes keep getting more sophisticated and widespread, making the subject worth discussing again. Your voicemail or email inboxes may be filled with "congratulations you've won...reply now" or threats of legal action if you don't take swift action.

The following are just a few things to watch out for and what to do to avoid being scammed -

- Scammers disguise themselves to appear to be from an organization familiar to you
 - don't automatically believe the call or email is legitimate just because the name looks familiar
- Scammers warn of an urgent problem or offer an prize or reward
 - if it appears too good to be true it probably is (almost nothing comes for free anymore)
- Scammers advise you to act quickly to resolve the problem to avoid legal action or claim the prize before it's too late
 - don't be intimidated by scare tactics or rushed to action if you're not comfortable with the situation.
- Scammers disguise themselves as IRS/DOL Agents
 - these agencies typically do not call, but instead send written correspondence. If they call they will identify themselves with their full name and an Identification number – if they don't, ask for it before providing any information

Blocking unknown callers from your cell phone and sending unknown email addresses to junk mail can be the most effective ways to avoid scammers. There are also apps you can download to your devices that help you recognize potential spam, and block suspicious callers automatically. Talk to your phone company or internet provider to get help with identifying and avoiding scammers. And report any suspicious activity to your local authorities as well.

401(k) Plan Investments in “Cryptocurrencies”

Cryptocurrency is making its way into almost every aspect of life, from ads bombarding us while we watch sporting events (and logos on the players' jerseys), to bitcoin ATMs appearing in banks and retail stores.

EBSA (Employee Benefits Security Administration), a division within the Department of Labor, recently issued Compliance Assistance Release No. 2022-01 which cautions ERISA plan sponsors about the use of cryptocurrencies (or other products whose value is tied to cryptocurrencies, including some mutual funds and ETFs) in their retirement plans.

The DOL reminds plan sponsors that even though most plan participants can choose how to invest in their plans, plan sponsors have an ongoing fiduciary responsibility to ensure the plan investments available within the plan are prudent (even in self-directed brokerage accounts). Failure to remove or preclude imprudent investment options is a breach of that fiduciary duty. We encourage you to talk to your investment advisor if you have any concerns about the investment options in your plan.

IRS Form 5500 and 5500-SF Due Date Reminder

The Form 5500 (or 5500-SF) is filed annually with the Department of Labor to report the financial condition and general operational compliance of a retirement plan. The form is due on the last day of the 7th month after the plan year end. A Plan may request an extension that will allow an extra 2 ½ months after the initial due date of the Form 5500. For example, if your Plan is based on the calendar year your 5500 is due July 31st without extension or October 15th with extension of the following year.

We send out a request for year-end information during the last month of your plan year. Please work with your Compliance Consultant to make sure we receive your information timely to avoid any delays in preparing the Form 5500 for your Plan.

Meet the Staff – Highlight of a Blue Chip staff member

Andrea Peters – Compliance Support Assistant



Andrea joined Blue Chip in September 2008. At the time she was new to the retirement plan industry and through the last 13 years has enjoyed learning and gaining experience as a Compliance Support Assistant. Andrea helps in the daily tasks and administration of plans and processes distributions and loans. She's engaged and lives in Greendale, Wisconsin with her three children Alivia (18), Jaimyn (17), and Matthew (15). In her spare time Andrea enjoys reading, cooking, hiking, attending her children's sports events, walking her dog Snowball, and spending time with family.