



2015 Cost of Living Adjustments Have Been Released

Description	2015	2014
401(k) Elective Deferrals	\$18,000	\$17,500
Annual Defined Contribution Limit	53,000	52,000
Annual Compensation Limit	265,000	260,000
Catch-Up Contribution Limit	6,000	5,500
Highly Compensated threshold	120,000	115,000
403(b)/457 Elective Deferrals	18,000	17,500
Social Security Wage Base	118,500	117,000

Compliance Check

Have employer contributions to your plan been put on hold? If so, beware that failure to make contributions in three out of five years, with a pattern of profits earned, could be viewed as a complete discontinuance of the plan as indicated by the Internal Revenue Code 411(d)(3). Complete discontinuance requires participant accounts be made non-forfeitable as of the effective date of discontinuance. Even previously distributed partially vested participant accounts could be affected by such a ruling thereby requiring the employer to 100% vest and reinstate their previously forfeited balances.

Contact EBS if you are considering suspending contributions or have not been making company contributions to your plan in recent years.

5500 Facts

Retirement plans subject to ERISA (Employee Retirement Income Security Act) such as defined benefit and defined contribution plans require that every fiduciary of an employee benefits plan and every person who handles funds or other property of such plan shall be bonded. ERISA requires these fiduciaries have bond coverage valued at an amount that is at least 10% of plan assets, with a minimum of \$1,000 and not greater than \$500,000 (\$1,000,000 for plans that hold certain employer securities). This coverage helps to protect the plan and its participants against dishonesty or fraud by the bonded trustee(s) and/or fiduciary(s).

Each year the plan reports its fidelity bond coverage on the Form 5500 Return. The question reads: *Was this plan covered by a fidelity bond? Enter Amount of Coverage.* Inadequate fidelity bond coverage is a common operational error and an insufficient amount answer on the 5500 can trigger an IRS or DOL audit. In order to avoid having inadequate coverage employers should review their coverage annually to ensure it meets the requirements. In a period of growth it is prudent to project for growth when securing coverage. When the employer sponsors more than one plan, each plan should be specified on the policy (or in an addendum) separately clearly stating the coverage for each plan.

PLAN RESTATEMENTS: All Pre-Approved Defined Contribution Plans are required to be restated on a six year cycle as determined by the IRS. We are currently in the restatement period. The deadline for restatement is April 30, 2016. This restatement will incorporate provisions from the Pension Protection Act of 2006 (PPA) and good faith interim amendments that were effective between 2007 and 2011. If your Plan has not been restated yet an EBS professional will contact you soon with more information.

Imposter scams: Don't become a victim

Most consumers consider themselves pretty well versed in con games. The media has been educating us for years about how to avoid their traps. Often a simple delete or shred will take care of that e-mail, letter or fax that promises a percentage of a large sum of money in exchange for helping transfer funds. But let's not forget that scammers have one goal in mind: swindling our hard-earned money. They will fake anything they can possibly fake as long as they can get us to part with our money or personal identifying information.

Recently, scammers have been racking up by posing as a trusted person or entity. With complaints on the rise and billions of dollars in losses these imposter scams have been ranked fifth on the [Federal Trade Commission's Top 10 consumer complaints](#).

Here's a few ways imposters gain access to your confidential information:

- Vendor submitting instructions via phone, e-mail or letter requesting payment instruction changes.
- Co-worker counterfeiting an invoice directing payment to their own account.
- Hacker breaching e-mail to determine payment patterns then submitting fraudulent invoices looking legitimate but with subtle payment instruction modifications.
- Fraudster hacking A/R systems to generate fraudulent payment requests.
- Imposter posing as a company executive instructing you to make payments outside the normal channels.

Experience has proved that education is our best defense when it comes to cons. By keeping your staff and management teams informed about the potential fraud risk we can help reduce the risk of company losses. Make sure there are tight internal controls in place to verify vendors, wire requests and audit your bank account activity daily. Most imposter scams get you to act before you think. By turning that around we lessen the risk of falling victim of imposter scams.

