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### **Increases to PBGC Premiums**

The PBGC (Pension Benefit Guaranty Corporation) is a federal agency responsible for protecting retirement income of workers in private-sector defined benefit pension plans. PBGC coverage is generally required for defined benefit plans subject to ERISA Title IV with more than 25 participants. Certain professional service employers qualify for an exemption from PBGC coverage (doctors, attorneys, accountants and others). To learn more about the PBGC [click here](#). The federal budget agreement that was announced last year included increases in both fixed and variable rate PBGC premiums. Flat rate PBGC premiums of \$49 per participant in 2014 will rise to \$57 in 2015. Reducing participant headcount via lump sum cash-outs might be a good strategy to minimize the increased cost.

The valuable benefit and tax savings of a defined benefit pension plan far outweighs the costs of maintaining one. Contact your EBS retirement professional to learn how you could contribute more to reach your retirement goals.

Eligibility Requirements: *Don't forget the deferral election form*

A 401(k) plan mistake occurs when an eligible employee is not given the opportunity to make an elective deferral election (exclusion of eligible employee). In order to avoid this common mistake, it's important to review the plan document sections on eligibility and participation to find out when employees should enter the plan. Employees who are eligible and choose to not contribute should sign a deferral election form indicating this choice. Employers often assume this is not necessary. However, this signed form provides documentation for compliance purposes, and it could be requested under audit.



Contact EBS for more information. If you would like to remove your name from our mailing list, [click here](#) to submit your request.