



Welcome 2015! Don't forget to increase your 401(k) deductions.

The 401(k) deferral limit has increased to \$18,000. If you are age 50 or older by 12/31 you can also contribute up to an additional \$6,000 if the Plan allows. Contact payroll to take advantage of the increased limits.

Partial Plan Termination

Termination or layoff of 20% or more of your plan participants may result in a partial plan termination. This can occur when there is a significant corporate event such as the closing of a division or as the result of unfavorable economic conditions.

Upon occurrence of a partial termination, the law requires that all affected employees be fully vested in their account balances at the time of the partial termination. An affected individual is generally anyone who left employment for any reason during the plan year in which the partial termination occurred and who still has a balance in the plan.

Employers must make a proper determination of which participants require accelerated vesting due to the partial termination. Participants who were distributed with less than 100% vesting, and incurred a forfeiture, may be owed additional benefits. If those forfeitures have been allocated to other participants and cannot be recovered, the employer will be responsible for restoring the affected participants to 100% of their benefit.

If your business routinely incurs a high turnover rate then a partial termination probably has not occurred. Relevant factors must be considered in making this determination.

Please consult with your retirement plan professional if you suspect a partial termination has or might occur.

PLAN RESTATEMENTS: If your Plan has not been restated yet it will need to be done by April 30, 2016. Now is a good time to review your Plan and consider changes as part of the restatement process. Contact EBS if you would like to arrange a meeting to discuss considerations.

Tax Reporting for 2014 Distributions

Plans that transact distributions during 2014 are required to report such distributions on a Form 1099-R. This Form will include the gross payout and applicable federal and state tax withholdings. The recipient will need this information for his/her personal tax return. Depending on your Plan's structure 1099-Rs will be prepared by EBS, your Platform Record-keeper, or both and are required to be mailed by January 31, 2015.

Important Steps to Achieving Your Goals

A new year is the ideal time to establish goals. Usually most of us begin working on them with the Eye of the Tiger mentality. Before we know it we start to slip back to where we began. It's not that people are lacking self-motivation or willpower. The primary reason so many people don't achieve their objectives is that they haven't spent enough time thinking about what they want and where they want to go. Instead they drift through life aimlessly, wondering why their life lacks purpose and significance.

Take a moment to think of people you know who have ~~made~~ made it. Successful people are masters at setting and reaching goals. If you interact with successful people you will see patterns that anyone can apply:

1. **Write down goals.** This makes them real and will force you to clarify what you want. Your goals should match your values. When you list your highest values and then align your goals with them you will have a sense of being and purpose therefore naturally becoming motivated to be more consistent.
2. **Write down a plan.** Articulating your intention is important but not enough. Be precise putting in dates, times and amounts. When planning be sure your goals are attainable and realistic. Set goals that are very achievable. If you are setting more than one goal make sure each has a priority so you avoid feeling overwhelmed by having too many goals. This will help direct your attention to the more important ones first.
3. **Review your goals.** Don't skip this step. It must become routine to review and visualize your goals and the results ahead. This will help navigate you through the process and adjust your plan when needed.
4. **Don't get discouraged!** Stay focused on what you want to achieve and you will find ways to solve difficulties or break through barriers. Celebrate every success and grow with every setback.

"The ones who are crazy enough to think they can change the world are the ones that do." - Steve Jobs

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