

2011 Important Reminders

Brought to you by Administrative Retirement Services, Inc.

1099's

For participants who received distributions or defaulted on their loans during 2010, 1099-R's must be distributed to them by January 31, 2011.

Depositing Distribution Withholdings

Employers that pay out cash distributions to participants are required to withhold 20% of the distribution. In most cases, the withholding must be deposited with the IRS by the 15th day of the following month. All withholding must be deposited with the IRS electronically using EFTPS beginning January 1, 2011. See details in IRS Publication 15.

Non-Discrimination Testing Refunds

If refunds are made to correct a non-discrimination test failure, the refunds must be processed within 2 ½ months following the close of the plan year in order to avoid the IRS 10% penalty. For plans with a December 31 year-end, refunds must be made by March 15, 2011 to avoid the 10% IRS penalty.

Depositing Employee Contributions

Employee contributions must be deposited as soon as administratively possible, or within 7 business days per the safe harbor deposit rules. Please note this change, and deposit employee contributions within 7 business days if possible. Failure to timely deposit employee contributions results in an IRS penalty and the Employer paying the employees for lost interest.

Depositing Employer Contributions

Employer Contributions must be deposited before the filing due date of your company tax return. Company tax returns are due 2 ½ months after the close of the corporate year, or 9 ½ months if extended. For years ending December 31, 2010, company tax returns are due March 15, 2011, or, with extension, are due September 15, 2011.

Filing Form 5500

Form 5500's are due by the end of the 7th month after the close of the plan year, or by 9 ½ months after the close of the plan year if extended. For plan years ending December 31, 2010, Form 5500's without extension are due by August 1, 2011 and with extension are due October 17, 2010.

Electronic Signing of Form 5500

Beginning with the 2009 plan year, Form 5500 must be electronically signed. If you have not already obtained the needed User ID and PIN, visit www.efast.dol.gov and Register to obtain these.

Minimum Required Distributions

Minimum Required Distributions (MRD) must be taken by active employees who have reached age 70.5 during the calendar year and are more than 5% owners. If an employee is active, reaches the age of 70.5 and is not at least a 5% owner, he does not have to begin taking MRDs until he terminates employment. The first MRD must be taken by April 1st of the year following the year the employee attains age 70.5 or terminates employment, whichever applies. All following MRDs must be taken by December 31st of subsequent years.

Retirement Plan Notice

Participants must receive quarterly or annual notices containing their account balances, vested percentages, information about diversifying, a reference to the Department of Labor's website, and information about contribution integration if applicable. Check your participant's investment company statements to confirm what information is included. If any of this information is missing, contact ARS for a copy of the Retirement Plan Notice.

401(a)(17) Compensation Limit

The IRS limits the amount of compensation that counts for qualified plan purposes in a given plan year, including the calculation of employer or matching contributions. For 2010 and 2011 the compensation limit is \$245,000. The compensation limit that applies for a plan year is the limit applicable for the calendar year in which the plan year starts.

401(k) Limit

The IRS limits the 401(k) contributions an employee can make in a given plan year. For 2010 and 2011 the 401(k) limit is \$16,500 plus an additional \$5,500 as catch-up contributions for employees age 50 and over. The limit includes both pre-tax 401(k) and Roth 401(k) contributions combined.

Note: A table of Annual Dollar Limits can be found at www.ars401k.com Due dates are provided above for calendar year plans. If your plan is not a calendar year plan and you'd like to confirm due dates, please contact ARS.