



PENSION SERVICES

DESIGNING RETIREMENT PLANS FOR MAXIMIZED CONTRIBUTIONS

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INTRODUCTION TO YOUR NEW PENSION PLAN

Congratulations! You have now created a qualified plan with Pension Services, Inc! This means your contribution qualifies for an Income Tax Deduction.

Your pension plan is a customized design, as opposed to the “One Size Fits All” which is typically offered by some payroll companies and some mutual fund companies, meaning that we customize your pension plan with formula’s that benefit you, the employer.

THE TEAM/PROCESS & WHO TO CONTACT



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Annual & Estimated Contribution

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WHAT'S NEXT & WHAT TO EXPECT EVERY YEAR

THE PREPARATION OF YOUR LEGAL DOCUMENTS

Once your plan is installed into our system by our New Business Manager, our licensed attorney, along with the help of our legal assistant, will prepare and accomplish the following:

- Your plan documents
- Draft and finalize any technical amendments
- Provide legal and financial announcements for participants
- Apply for IRS determination letter

Throughout the life of your plan, our attorney will prepare the following, if needed:

- Prepare IRS & PBGC termination filings
- Offer IRS, DOL and PBGC audit support
- Prepare and submit required plan restatements
- Provide required notices to plan participants
- Monitor changes in legislation, regulations, rulings, and court decisions to make sure the plan is structurally compliant at all times.

YOUR PENSION LOGIN CREDENTIALS

We value your privacy and those of your employees. For this reason, future communication such as reports/forms, will be shared via our secure website. This way we can ensure that personally identifiable information (PII), will be always shared in a secure manner and only disclose to each authorized contact that you had previously permitted to view, provide and received confirmation with respect to your organizational and its employees.

Your login credentials have been configured, and soon you will be receiving instructions and how-to login for the first time and reset the password after first use.

CENSUS REQUEST

Now that your plan documents have been finalized and your login credentials have been configured, you will need to know your plans final contribution for the year. Every year, PSI will prepare the calculations of your Annual Contributions through Census Analysis.

A census request email will come directly from our Census Department and you will be required to download our census template in Excel Format; As a reminder, the template is populated with last year's employees based off your plan design. Census request can be downloaded from the following link:

<https://www.pensionnetwork.net/reliustweb/sponsor.aspx>

PSI requires for census reconciliation process to please include the following applicable information:

- Include terminated employees for those terminated within the current year, including their date of termination.
- Add new employees with their date of birth, date of hire, and SSN
- W-2 copies for all employees and a copy of the W-2 employer summary (W-3)
- If you are a Sole-Proprietor, you are required to provide a copy of Schedule C.

The above information can be uploaded in a secure manner through our direct link:

<https://www.pensionnetwork.net/upload/>

Once we receive the requested information, our census department will perform census reconciliation; once this process is complete, our contribution department proceeds to calculate your final contribution.

CONTRIBUTION

From the updated Census & Asset Information, our contribution department will determine and conclude the following:

- Employee Eligibility
- Calculated Contributions

Once this step is complete, the contribution information is sent to you and your advisor via email, to conclude which Contribution you would like to make to your plan.

The turnaround time to receive such calculations is as follows:

- 50 employees or less = 1 – 2 weeks once census is finalized
- 50 – 100 employees = 2 – 3 weeks once census is finalized
- More than 100 employees = 3 – 4 weeks once census is finalized

Please note we calculate the annual contribution allocation that best optimizes contributions for the owners and key personnel. However, your plan's contribution formula is highly customized and you have flexibility in terms of the overall contribution amount and who we allocate it to.

The contribution calculation shows the employer contribution based on the formulas specified in the plan's document and census information you provided. Please note this calculation is not a schedule of deposits nor balances due to be funded. The balances due to be funded, per employee, will be provided to you in a separate trust accounting report, once you execute and return the desired contribution calculation report. The trust accounting reports will also inform you of those employees for whom you have contributed in excess of the correct amounts.

The employer may return the signed contribution calculation at any time, but has until the due date of their business's return to fund the contributions.

TRUST ACCOUNTING

Your pension plan will consist of trust accounting, which means our certified accountant will prepare & accomplish the following:

- Prepare Plan's Financial Statements and reconciliation on participant level.
- Reports to reflect any findings or discrepancies that would need to be communicated to employers and financial advisors.
- Reconcile deposits in the plan against deferrals shown on W-2 forms for each participant
- Reconcile employer contribution deposits against annual allocations to ensure the contributions are deductible

Your plan must have an Annual Balance Sheet and Income Statement prepared under GAAP Accounting and is imperative that PSI receives all monthly statements from all pension accounts.

This information is critical and most easily handled by having us, PSI, receive duplicate statements from all financial institutions where assets are held. If we do not receive duplicate statements, our accounting department will request the statements from the plan sponsor and/or advisor.

ADMINISTRATION

Once accounting has been completed for your plan and a contribution amount has been confirmed for the year, we begin our work on the administration for the plan. Our administration prepares the various documents required, including:

1. Appropriate Form 5500-series form (Form 5500, Form 5500-SF or Form 5500-EZ), depending on the participants in the plan.
2. Form 8955-SSA, if applicable, to report terminated participants owed amounts from the plan.
3. Form 5330, if needed, to pay penalties to the Internal Revenue Service.
4. For defined benefit plans, PBGC forms.
5. Participant statements.
6. Annual valuation reflecting all activity for the year.

In addition, our administration staff will assist you with special requests, such as calculating interest on late deposits of contributions.

Finally, Forms 5500 and 8955-SSA must be filed electronically. While many third-party administrators require plan sponsors to register with the appropriate agencies to receive filing credentials and to then file these returns electronically on their own, we receive authorization from our clients to file these returns electronically on their behalf.

ACTUARIAL

If you have sponsored a Defined Benefit Plan/Cash Balance Plan, our in-house actuary will perform the following:

- Prepare FASB Reports
- Prepare PBGC forms, if applicable
- Prepare an analysis for future years
- Perform actuarial valuation of benefits, distributions, and terminations. This includes contribution calculations with maximum deductible calculations/deductions at a business level
- If you sponsor an aggregate plan, our actuary will perform combine testing to determine that both plans pass discrimination testing.

PARTICIPANT SERVICES

Once administration is complete, distributions for terminated participants and required minimum distributions (RMD) are prepared and sent.

Throughout the life of your plan, in-service distributions can be requested, if permitted in your plan.

If you would like to take advantage of the benefits your plan offers, participant services would be the department to:

- Handle your requests regarding the benefits that the plan documents provide to participants
- Prepare all distribution related forms, as required by the IRS.
- Process loans and keep track of them
- Inform you if any loan repayments are missed.

COMPLIANCE

As your TPA, we keep track of changes in regulations and policy, as well as demographics and financial trends. We ensure that your company is operating in full compliance with laws and regulations as well as professional standards (ASPPA),

accepted business practices and internal guidelines. Our responsibilities regarding your plan include:

- Bringing plan documents current
- Preparing benefit statements for participants
- Preparing IRS, DOL, and PBGC forms
- Maintaining individual participant records
- Providing information as need
- Consulting with those involved on matters of plan operations
- Processing participant terminations and retirements
- Conducting employee and/or professional seminars
- Calculating benefit levels for each year

In addition, PSI will also prepare all your necessary Annual Compliance Filing required by the Department of Labor and the IRS, as well as handling all the required administrative functions.