Important Approaching Deadlines

Please make note of these important approaching deadlines for calendar year plans:

December 30, 2016:

- **Last day of plan year following plan year-end:** Deadline for processing corrective distributions or for making qualified non-elective contributions/qualified matching contributions for 2015 nondiscrimination (i.e., actual deferral percentage and/or actual contribution percentage) test failures.
- **Last day of plan year:** Deadline to sign amendments that must be in place before the beginning of the 2017 plan year.
- **Same date for all plan years:** Deadline for 2016 annual required minimum distributions that are not first year distributions.

January 16, 2017:

- **Same date for all plan years:** Deadline to remit 2016 employee deferrals to ensure inclusion in 2016 402(g) deferral limit reporting.

Last half of January:

- **Date indicated in census notification:** Deadline for the submission of 2016 census data to ensure completion of all applicable testing by March 15, 2017.

If your plan year begins on a date other than January 1, please make adjustments to the dates to coincide with your plan year. Not all deadlines are based on the plan year. Examples of deadlines not based on the plan year include return of excess deferrals (April 15), required minimum distributions (April 1) and Form 5330 filing for prohibited transactions (last day of the 7th month after the end of the tax year of the employer or other person who must file the Form 5330). Under Internal Revenue Code section 7503, when a deadline falls on a weekend (i.e., Saturday or Sunday) or a legal holiday, the performance of such acts shall be considered timely if completed the next business day. However, corrective distributions and contributions should be processed the day before the weekend or legal holiday.

Participant Cost-Of-Living Information Available

We've created a summary of the Internal Revenue Service's cost-of-living adjustments (COLAs) applicable to plan participants.

This information is part of our One Day is Today® library available on www.oneamerica.com/today. There is a wealth of materials available grouped by topics including:

- Getting Started
- Retirement 101
- Investing
- Personal Finance
- Nearing Retirement

Please share the 2017 cost-of-living adjustments with your participants and encourage them to visit www.oneamerica.com/today.

2016 Census Submission

If your plan year end is December 31, 2016, you will receive an email announcing the due date for submitting the 2016 census.

You must submit your census by the established due date to ensure testing and other year-end reporting services are completed timely. If your census is received after the due date, we will not guarantee completion of your nondiscrimination testing by March 15, 2017. Actual deferral percentage (ADP) and actual contribution percentage (ACP) refunds distributed after March 15, 2017, generally are subject to a 10 percent Internal Revenue Service excise tax payable by the employer. However, if your plan has an eligible automatic contribution arrangement (EACA), the due date may be extended to June 30, 2017. For an EACA to be able to defer refund processing (if necessary) without penalty, the EACA must apply to all employees, not just employees hired after the EACA provisions were adopted.

Submit 2016 Deferrals

All employer contributions to 457(b) plans and employee contributions for 2016 need to be submitted by January 16, 2016, so that they can be included when we check 401(k), 403(b) or 457(b) plan(s) for deferral limit excess.

The 2016 limit for deferrals without catch-up contributions is $18,000. If someone is a participant in a 401(k) or 403(b) plan and a 457(b) plan, the limit is $36,000 ($18,000 to the 401(k) or 403(b) plan and $18,000 to the 457(b) plan.) Deferrals to a 401(k) and a 403(b) are added together to determine whether the $18,000 annual deferral limit is exceeded. 457(b) plans have a separate $18,000 deferral limit. Please be aware that employer contributions and employee deferrals to a 457(b) plan are added together to determine whether the 457(b) limit is exceeded.

If all contributions cannot be submitted by January 16, 2016, or if you have questions concerning the deferral limit as it applies to your plans, please contact your plan manager.

Identifying Highly Compensated Employees

The proper identification of highly compensated employees (HCEs) is critical to accurate 2016 nondiscrimination testing.

An employee is considered highly compensated if he or she:

- Was a more than 5 percent owner of the employer at any time during the current year (plan year beginning in 2016) or the preceding plan year (plan year beginning in 2015)
- Had compensation from the employer in excess of $120,000 during the preceding year and, if the employer so elected in their adoption agreement or plan document, was in the top-paid group of the employer

Other considerations when determining HCE status include:

- Controlled groups and affiliated service groups
- Family member attribution rules for more than 5 percent owners

Please contact your plan manager if you have any questions.

Identifying Key Employees

The proper identification of key employees on your 2016 census is critical to accurate annual determination of top heavy status.

Key employees include employees (or former employees) who, at any time during the current plan year (plan year beginning in 2016), met any one of the following criteria:

- An officer having annual compensation greater than $170,000
- A more than 5 percent owner of the employer (or related employer)
- A more than 1 percent owner of the employer (or related employer) with compensation in excess of $150,000

Other considerations when determining key employee status include:

- Determination of officers
- Former key employees
- Controlled groups and affiliated service groups
- Ownership attribution rules for family members of owners

Contact your plan manager if you have any questions.

Internal Revenue Service FIRE System Annual Updates And Unavailability

The Internal Revenue Service (IRS) Filing Information Returns Electronically (FIRE) system will be unavailable from December 9, 2016, through January 16, 2017, for annual updates.

Any Form 8955-SSA filings submitted electronically during this time period will not be processed until after January 16, 2017.

- If your Form 8955-SSA filing deadline is between December 15, 2016, and January 15, 2017, and you have not yet filed your Form 8955-SSA, you may print, sign and mail the 8955-SSA to Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201-0024 before the filing deadline.
- If your Form 8955-SSA filing deadline is after January 15, 2017, and you submit your Form 8955-SSA electronically during the system downtime, the filing will be held and filed when the FIRE system becomes available.
- Please file the Form 8955-SSA using either the paper or electronic submission method, not both.

Important: The FIRE system is used for Form 8955-SSA filings only. You may still submit your Form 5500 filing through the Department of Labor's EFAST2 filing system. As a reminder, your Form 5500 filing and Form 8955-SSA are due seven months after the end of the plan year or 9½ months after the end of the plan year if you take advantage of the extended filing deadline that we requested for your plan if we prepare your Form 5500 filing.

Do Your Employees Know About The Saver's Credit?

Workers aged 18 years or older who have contributed to a company-sponsored retirement plan or IRA in the past year and meet the adjusted gross income requirements may be eligible for a credit up to $1,000 for single-filers and $2,000 for married couples.

Depending on the plan participant's adjusted gross income and federal income tax filing status, they can claim a credit for 50 percent, 20 percent or 10 percent of the first $2,000 they contribute to the retirement plan.

The credit applies to:

- Single filers with an adjusted income of up to $30,750 in 2016 ($31,000 in 2017)
- Head of a household, the adjusted income limit is $46,125 in 2016 ($46,500 in 2017)
- Married and file a joint return, the adjusted income limit is $61,500 in 2016 ($62,000 in 2017)

In addition, to be eligible for the credit participants must:

- Be at least age 18
- Not be a full-time student
- Not be claimed as a dependent on another person's return

The credit is not available to Form 1040EZ filers; however, the Internal Revenue Service has included instructions with the EZ form directing taxpayers to a different form if they choose to claim the credit. Taxpayers preparing their returns manually should complete Form 8880, Credit for Qualified Retirement Savings Contributions, to determine the exact credit rate and amount.

For more information see Retirement Savings Contributions Credit (Saver's Credit).