

# MidAmerica 403(b)ulletin

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## ISAs/PPSAs

MidAmerica has now received the lion's share of ISAs/PPSAs for employers who implemented their program with us prior to January 1, 2009. Unfortunately, we are still awaiting many ISAs/PPSAs from vendors of those clients who implemented January 1. As explained in a previous bulletin, our original intent was to accumulate all of these agreements, send them to the Employer for signature, then forward to the respective vendors. Since we are still awaiting so many, we are forwarding, via FedEx, the agreements that we have received to date to the respective vendors and following up individually to gather the remaining ISAs/PPSAs.

Though not required, some vendors are rejecting payroll contributions unless they have a fully executed ISA/PPSA on file. As well, some are now requiring signature authorization forms and additional contract language. This is occurring almost exclusively with the mutual fund companies and is causing unanticipated delays in processing. We are working diligently to provide these vendors with the information they are requesting to avoid processing delays.

## COMPLIANCE TESTING

We recently sent out a data request for plans that implemented prior to January 1 so that MidAmerica can complete compliance testing for the 2008 plan year. For those that have not yet done so, this is just a reminder to send the data in.

## COMMON REMITTING

We are still working through the difficulties that we experienced with common remitting for some December and January contributions, but are confident that the new procedures and internal controls that we have implemented will ensure much smoother processing of common remitting transactions.

We have found that, in some cases, the vendors are not clearly identified with common remitting data. This is primarily due to many vendors having very similar names or acronyms. As such, we respectfully request that the vendors' full legal names be represented when sending common remitting data.

## PAPERWORK

Due to the large number of transactions that we have received with the new rules becoming effective January 1 and many vendors pulling out of the market, we are experiencing a short-term backlog in approving plan transactions. Our backlog has approached 5 business days and we have devoted additional resources to bring it back to a manageable 2 – 3 business days. Transactions are processed in the order that they are received. We have found that some vendors have accumulated transfer and SRA related forms over a period of time and are sending them to us in bulk, which is causing some delays.

Please note that once we approve a transaction, we then forward the appropriate paperwork to the vendor for processing. In many cases, the vendors are working through new administrative procedures as well and are taking some additional time to complete the processing of transactions.



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