

# MidAmerica 403(b)ulletin

MONDAY, DECEMBER 8, 2008 – VOL. III

## MESSAGE FROM WES COMPTON, PRESIDENT OF MIDAMERICA

**T**he January 1<sup>st</sup> deadline is fast approaching and I know many are in a bit of a panic as we approach the holiday break, not to return until after the New Year. To hopefully ease your fear a bit, I would like to address a handful of questions related to the January 1 deadline.

**Q. Do I have to have a signed plan document before January 1?**

A. No. The document will have an effective date of January 1, 2009, but does not need to be signed beforehand. In fact, the document can be signed as late as December 31, 2009 (yes, 2009) with an effective date of January 1, 2009. But of course, we do not want to wait that late as the document does outline how the plan should be operated.

**Q. Does MidAmerica need to sign the Adoption Agreement?**

A. No. The Adoption Agreement outlines the specific provisions of your 403(b) plan and should be signed by the Plan Sponsor/Employer.

**Q. What is the most critical thing that needs to be accomplished by January 1 to stay in compliance?**

A. The most important thing, at this point, is determining which vendors will continue to participate in your plan after January. We must have an ISA/PPSA in place by the time that you run your first payroll in January so that funds are not sent to a vendor who no longer participates.

This doesn't necessarily mean that we must have the ISA by January 1, but we should have the ISA by the time the first January payroll is cut. We do expect that many vendors who are no longer participating will not accept contributions after January 1.

**Q. The vendors are calling and don't know if they are still participating in the plan.**

A. All vendor inquiries and correspondence should be directed to MidAmerica so that we can ensure that we have the materials necessary for the vendor to continue to participate in the plan.

In many cases, the vendor's corporate headquarters has signed the ISA without the local representative's knowledge. By directing the representative to us, we can ensure that we have their correct contact information and let them know if we have an executed ISA.

**Q. What is MidAmerica doing to make sure that we are in compliance?**

A. Our primary focus, from now until the end of the year, will be following up directly with vendors who still have not provided ISAs for your plan. We are working directly with the vendors via e-mail, fax and phone to obtain their signatures and get them sent in to us. In many cases you may not receive the ISAs for your signature until after the end of the year, but as long as we have the vendor's signature, this will be fine.

Coupled with garnering the ISAs, we are working diligently to get employee communications materials in place, primarily the Plan Highlights and Spokeskids websites. As well for early implementers, where some of the vendors are dropping out in January, we are auditing and updating the communications materials so that they can be up to date by January 1.

**Q. When will I receive my final implementation binder from MidAmerica?**

A. For plans that are implementing January 1, the final implementation binder will likely not be sent until after the end of the year when we have compiled all of the completed vendor ISAs. Of course, if we do receive all that we need early, the binder will be sent. Please note that this will not interfere with our ability to administer your plan and ensure that your plan remains in compliance.

**Q. Has the IRS granted an extension to the January 1 deadline?**

A. Though rumors have been flying, the IRS has **NOT** granted an extension and it appears they do not intend to. Our legal resources, through informal conversations with the IRS, have indicated that they may be somewhat lenient for exceptions in the earlier part of next year, but we should not count on it.



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