Corporate Pension Plans Today – Will They Be There Tomorrow?

Does your company still offer a defined benefit pension plan to active employees? If so, it is among a shrinking minority of companies. However, pension plans have not yet disappeared from Corporate America and a slight majority of U.S. companies still maintain a plan, even if only for certain employees.

The number of defined benefit pension plans has decreased dramatically since ERISA was enacted 44 years ago. In 1975, 88% of private-sector employees were covered by a defined benefit pension plan; by 2005, this number had dropped to around 33% and it is now estimated at less than 10%. As of last year, only 16% of Fortune 500 companies offered a pension plan to all active salaried employees, down from nearly 60% in 1998, according to an analysis by Willis Towers Watson. In 1985, the PBGC reported that it insured over 112,000 single-employer pension plans, but by 2017, this total had dropped to around 22,000 plans.

The design of plans has changed over time as well. Traditional final average pay or career average plans were replaced by a cash balance design at many companies in the 1980s, 1990s and early 2000s. Even more common within the past decade has been the surge in the closing/freezing of pension plans either just for new hires or for all participants.

We recently updated our informal survey data as to any qualified defined benefit pension plans in place at 425 companies where Ayco provides financial counseling or financial education services. This chart indicates the changes we have noted in the past 10 and nearly 20 years, albeit among a larger number of companies today.
Pension Plan Freezes

Over 50% of the companies in our survey group that have had a pension plan have closed or frozen their plan either for all participants or only for new hires – sometimes called a “soft freeze”. We also saw a number of companies adopt a partial or soft freeze for new hires and several years later freeze the plan for all employees.

While a large majority of freezes occurred in the decade 2000-2010, we are continuing to see companies make these decisions. During the past two years, we counted nineteen Ayco corporate partners that have frozen a pension plan. Typically, a company will announce a freeze to employees at least a year or more before it will take effect. We saw several companies provide employees with multiple years advance notice and three companies that announced a ten-year transition.

Freezing a pension means that eligible employees will cease earning benefits for continued service. Accrued benefits are protected under ERISA and cannot be reduced or eliminated. There were some that worried that closing a plan for new hires (likely lower-paid employees) could inadvertently create a discrimination-test problem for an employer. Temporary relief for frozen plans was granted by the IRS in Notice 2014-5. Then, in 2016, the IRS issued proposed rules with discrimination testing relief for certain closed plans. There is a special test available for a plan that has been frozen for five years where there may be aggregate discrimination testing combined with a 401(k) plan. The IRS has indicated that it expects to make significant changes when it releases final regulations due to comments on its proposed regulations. As a result, they recently extended the temporary relief through plan years before 2020, so long as certain conditions are satisfied (Notice 2018-69).

Freezing a plan remains significantly more common than plan termination. However, we have now seen six companies decide to terminate their pension. This requires timely notice to all participants, full vesting and immediate funding of all promised benefits, as well as regulatory filings with the IRS and PBGC. Lump sum payouts are then made available to plan participants (which are rollover eligible) and/or insurance company annuities are purchased. There are clearly challenges to an employer which terminates a plan – but there are similar challenges to an employer which elects to freeze a plan or provide a choice to employees whether to stay in an existing plan or elect an alternative retirement arrangement.

In most cases, companies that freeze their pension plans will offer enhanced company contributions to their 401(k) plan. Thus, the company continues to contribute towards an employee’s retirement savings, but through their defined contribution plan. This gives employees more control over how their retirement benefits will grow – but, also shifts the risk of accumulating sufficient retirement benefits to the employee.

Here are the 401(k) plan enhancements made by 90 companies in our survey group who have frozen a pension plan within the past ten years:

<table>
<thead>
<tr>
<th>Enhancement</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Increase Co. Match</td>
<td>44%</td>
</tr>
<tr>
<td>Automatic Co. Contribution</td>
<td>29%</td>
</tr>
<tr>
<td>Age/Service Contribution</td>
<td>14%</td>
</tr>
<tr>
<td>One-Time Contribution</td>
<td>3%</td>
</tr>
<tr>
<td>Other Enhancement</td>
<td>10%</td>
</tr>
<tr>
<td>NONE</td>
<td>9%</td>
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The total exceeds 100% since a number of companies made more than one enhancement for some or all plan participants.

Pension Buyouts – a De-Risking Strategy

Pension buyouts, often characterized as a de-risking strategy, continue to grow in popularity. Pension de-risking alternatives include lump sum buyouts and the purchase of annuities from an insurance company.

Lump sum buyouts generally are designed to allow plan participants to receive the present value of remaining benefits in a lump sum. This typically leads to a reduction in the number of plan participants, thereby reducing plan liabilities and the cost of PBGC premiums – but can actually reduce the plan’s funding status unless the plan is overfunded.

The IRS first approved the concept of allowing a lump sum payout option to retirees receiving annuity payments and deferred vested pensioners in a series of private letter rulings in 2012. These involved an opportunity for a retiree to elect to receive a lump sum payout or have annuity payments shifted to an insurance company.
However, in Notice 2015-49, the IRS indicated that it intends to amend its regulations to prohibit a plan from offering a lump sum distribution to participants who have begun receiving annuity payments after July 2015. This guidance has led to nearly an elimination of a lump sum buyout to those in pay status. Yet, we counted nine companies that have adopted a lump sum payout option to those not in pay status within the past 18 months.

The purchase of annuities from an insurance company by the plan sponsor has become somewhat popular over the past several years. Single premium annuity purchases for the first six months of 2018 have been $9.6 billion, which is a 76% increase from the first six months of 2017, according to the LIMRA Secure Retirement Institute. The strategy shifts the plan’s liability to the insurance company, but can allow a retiree to receive benefits as an annuity instead of having to receive a lump sum buyout. We counted 11 companies in our survey group which purchased annuities within the past 18 months.

With record low interest rates, plan funding variability, higher PBGC premiums, and new mortality tables scheduled to be in place beginning next year, the expectation is that these offers will continue to grow as companies look to limit their pension risk. Traditionally, pension sales to insurance companies have been the largest in the fourth quarter, according to the LIMRA Secure Retirement Institute.

**Pension Funding Issues**

One of the primary reasons that companies have frozen their plan, decided to de-risk, or never adopted a pension plan relates to the arcane pension funding rules. Whether a pension is properly funded is based on an actuarial calculation of the value of plan assets compared to the present value of promised benefits (the lower the interest or discount rate, the higher the pension liability). While it may have been the intent of Congress when it created new funding rules under the Pension Protection Act of 2006 to bolster pension plans, it appears that the exact opposite has occurred. Current low interest rates and updated mortality tables also have had a significant impact on the funding deficits that many plan sponsors face.

Companies with pension plans generally have up to 15 years to fund promised benefits. Prior to 2012, plan liabilities were valued based on a two-year average interest rate. Under the Moving Ahead for Progress in the 21st Century Act (MAP-21), pension plan sponsors now may calculate liabilities using a 25-year average interest rate (which has helped in calculating funding ratios due to very low current rates). Several years ago, Congress extended the interest rate corridor range and pension funding relief for a longer period. However, better funding status may have accelerated lump sum window offers and even pension terminations.

A plan’s funded status can impact the ability of plan participants to receive a lump sum distribution from the plan. If a plan is less than 60% funded as of the end of the plan year, no lump sum payments may be made, and if the plan’s funding status is between 60%-80% of target, participants cannot receive more than 50% of their vested benefit in a lump sum.

There also is a restriction on lump sum payments from a pension plan made to Highly Compensated Employees (HCEs) who are part of the top-25 paid group. A pension payout to such an HCE generally may not exceed the single life annuity amount if the plan is less than 110% funded.

According to a report by Milliman, the estimated aggregate funded status of the 100 largest corporate pension plans (active or frozen) was 92.8% as of the end of June 2018.

**Notice of Funding Status** - Pension plans, even those frozen, must provide a notice of a plan’s funding status to all plan participants and beneficiaries within 120 days following the end of the plan year. The DOL has a Model Notice that employers may utilize to meet this disclosure obligation. It discusses the plan’s “funding target attainment percentage”, which is how well the plan is funded for the most recent three year period. The notice also provides information on the plan’s investment policy as well as the asset allocation of investments and the number of active and inactive participants.

Interestingly, a lump sum “de-risking” program generally will not improve funding status of a plan, especially if the plan is not funded above 100%. By paying out the present value of annuity payments to those already in pay status or deferred vested, plan assets will be reduced along with plan liabilities. With longer mortality tables and rising PBGC premiums, this is an option companies are still considering.

**Cash Balance Plans**

Cash balance plans began replacing final average pay and career average pension plans in the late 1980s and 1990s. Today, they represent about half of active qualified pension plans. A cash balance plan is similar to a defined contribution plan with a designated amount credited to each participant’s hypothetical account at least annually along with a specified interest credit. There had been a wide variation in the interest credits under these plans.
before the IRS confirmed that interest credits cannot exceed a “market rate” in order to avoid non-discrimination test rules.

Through the early 2000s, most cash balance plans based the interest crediting rate on the 30-Year Treasury rate or another Treasury-based rate. According to the 2018 Cash Balance Research Report issued by Kravitz, nearly 40% of large companies now credit participants with an Actual Rate of Return (i.e., what plan investments actually earn), typically ranging from 4%-5.5%, while just over 20% now base the annual interest credit on the 30-Year Treasury rate.

**Whipsaw Feature** - Most cash balance plans allow for a lump sum to be paid to a participant upon termination of employment. If the lump sum is equal to the hypothetical account balance at the time of the distribution, the plan will meet safe harbor non-discrimination test requirements. But, a plan with a “whipsaw” feature will not meet the safe harbor test. A whipsaw feature is where a plan provides for a lump sum calculated by projecting forward the participant’s account balance to normal retirement age and then discounting it back to their current age. Many plans with this feature eliminated it after the IRS issued regulations in 2014. While it remains permissible, it can be difficult to explain to employees why their lump sum payment can be less than their current account balance if the interest rates used are different.

**Why Employees May Like Cash Balance Plans** - One of the main attractions is that a participant can better understand the current value of the benefit compared to a final average pay pension which project payments at normal retirement age. In addition, the benefit typically is “portable”. That means that once a participant terminates employment at any age, the vested benefit is payable in a lump sum and can be rolled over into an IRA or another employer’s qualified plan that accepts rollovers.

Like all pension plans, cash balance plans are subject to the survivor annuity rules, which mean that the normal form of payment for a married employee is a 50% joint & survivor annuity and spousal consent must be obtained to receive a lump sum payout. The IRS has issued rules which allow pension plan payments to be bifurcated with a portion paid as an annuity and a portion paid in a lump sum which will still meet the minimum present value rules of IRC §417.

**Impact of Recent Tax Law Changes**
The Tax Cuts and Jobs Act of 2017 did not change the funding rules for defined benefit pension plans, but its reduction of the corporate tax rate from a maximum of 35% to 21% beginning this year has had an impact on funding practices. As long as a plan contribution is made by the annual funding deadline – up to 8½ months after the end of the plan’s year – it is deductible by the employer. Thus, a company which has funded its calendar-year plan by September 15, 2018, can take a 2017 tax deduction when tax rates were higher. Several companies have disclosed significant discretionary pension contributions including: Boeing, DuPont, G.E., Lockheed Martin, 3M, UPS, and Verizon. Those S&P 500 companies with pension plans contributed more to their plans in 2017 than in the past 15 years, according to a report from Goldman Sachs Asset Management.

**Taxes – Federal and State**
Payments made to a plan participant or beneficiary from a qualified pension will be taxable as ordinary income and reported on Form 1099-R. Lump sum and certain other non-annuity distributions can be eligible to be rolled over to an IRA or qualified plan that accepts rollovers. Required minimum distributions from a plan after age 70½ are not eligible for rollovers. Federal tax withholding will occur on distributions, although it can be waived in certain circumstances. However, employer-funded pensions are not subject to Social Security or Medicare taxes.

State taxes are not as simple. Five states with income taxes exclude pension income from state taxation (AL, HI, IL, MI, and PA), while a few states, including GA, KY and NY, tax only pension income above a stated dollar amount. Several other states will tax pension income, but not require employers to withhold taxes. Under the non-resident state source tax exclusion rule, a state may not tax the qualified retirement income (from pensions, 401(k)s or IRAs) received by a non-resident regardless of the form of payment. The rules here are different than the exclusion rules that apply to nonqualified deferred compensation and top-hat plans, including SERPs. Thus, tax rules can influence distribution decisions for retirement income.

**Accounting Disclosure Changes**
Recently released FASB Accounting Standards 2018-14 modifies the disclosures required to be made by employers with qualified defined benefit pension plans. Certain current disclosures have been eliminated and others have been added, including the weighted average of the interest crediting rates for cash balance plans. These new rules are effective for fiscal plan years ending after 12/15/20 for public companies.
In addition, the Society of Actuaries recently proposed new updated mortality tables to be used by public pension plans. Updated tables went into effect this year for private pension plans.

**Recent Pension Litigation**

Here are two recent court decisions dealing with pension plan issues:

- **What should happen if a plan’s SPD fails to describe a provision contained in the plan document?** In this case, an employee was offered early retirement under an early-out program. But, he already qualified for the plan’s “30-and-out” early retirement supplement, so he declined the offer. He was then laid off by the company. When he then applied for his pension benefits, he was told he did not qualify for the early retirement supplement since he was terminated. He had informally been told he would be entitled to the enhanced benefit and the plan’s SPD made no mention of this situation. However, it was contained in the plan document, a copy of which he never received. After unsuccessfully appealing the company’s decision, he sued. (This litigation has been ongoing for nearly ten years). The 6th Cir. Ct. of Appeals has issued a second opinion in this matter. Although the terms of a plan document generally control and supersede what is stated in the plan’s SPD in the event of a conflict, the court had concluded that if such a conflict exists because the SPD misleads or fails to state a plan provision, an employee impacted could seek equitable relief (i.e., be reimbursed or made whole) under ERISA §502(a)(3). In its most recent opinion, the court affirmed the employee’s entitlement to this equitable estoppel (*Pearce vs. Chrysler Gp. Pension*).

- **Can a plan be amended to base future accruals on a lesser formula?** In this case, a company amended its traditional formula plan with regard to future accrued benefits. It also created a transitional benefit for those hired before 2002 using the original plan formula, but assuming salary increases of a fixed 1.5% annually disregarding any larger increase a participant might actually receive.

A plan participant sued claiming that this formula change violated ERISA’s anti-cutback rule and the Age Discrimination in Employment Act (ADEA). The 7th Circuit Court of Appeals recently concluded there was no ERISA or ADEA violation. ERISA does not require that An employee maintains a plan’s formula indefinitely. In this case, vested accrued benefits were protected - it was only future benefits that were potentially reduced (*Teufel vs. Northern Trust*).

**Is There a Future for Pension Plans**

In the short term, we would expect that most companies with defined benefit pensions will retain them as long as the funding rules continue to be flexible. But, we also expect that pension freezes and de-risking offers will continue. It is not unreasonable to believe that pension plans, of all designs, will largely be a thing of the past in 10 years. At the same time, however, defined contribution 401(k) plans are adopting some of the attractive features inherent in defined benefit plans. These include automatic enrollment, enhanced employer contributions and an annuity distribution alternative.

**Have You Been Properly Receiving All Executive Perquisites in your Proxy Statement?**

U.S. public companies are generally required to disclose all elements of compensation paid to their named executive officers (NEOs) in proxy statements and other reports filed with the SEC, pursuant to Item 402 of Regulation S-K. Included in this disclosure are all perquisites and personal benefits if the total value of these benefits for the year is $10,000 or more. A key question is what defines a reportable perquisite inasmuch as SEC rules do not specifically define what constitutes a perquisite or personal benefit.

Item 402 provides that a perquisite is any item that the company provides to a NEO that is not integrally and directly related to the performance of the NEO’s duties. A reportable perquisite is any benefit provided by the company if it confers a direct or indirect benefit that has a personal aspect without regard to whether the company provides it for a business reason. There are very narrow exclusions from this disclosure requirement. As an example, the SEC has indicated that compensation or a benefit need not be disclosed only if the NEO needs the item to perform his/her job. This includes the use of office space and the reimbursement of travel expenses used solely for business purposes. This can sometimes be nebulous – an example is the cost of personal security arrangements for the CEO or other NEOs.
Recently, the SEC charged two companies with failing to disclose perquisites. Dow Chemical was charged with failing to properly disclose $3 million of perquisites provided to its CEO. In order to reach a settlement with the SEC, the company agreed to pay a civil monetary penalty of $1.75 million and to properly disclose unreported benefits. These included personal travel expenses, club memberships and sporting event tickets. The SEC’s position is that even if these expenses had business purpose, they were not integrally related to the CEO’s position and therefore should have been disclosed in the proxy.

The second enforcement action was a complaint filed against the CEO of Energy XXI, Ltd., an oil and gas exploration company. Over a period of four years, the CEO allegedly obtained undisclosed compensation and personal benefits worth over $1 million that lacked a business purpose. These included use of the company aircraft to attend a football game, 1st class tickets for his family to fly to Europe, $40,000 toward a bottle of wine, and over $300,000 to maintain a cigar and liquor lounge. The CEO consented to be prohibited from acting as an officer or director of a public company for five years and pay a penalty of $180,000.

Companies should periodically review controls and procedures in place for proper oversight of reporting on behalf of NEOs, bearing in mind that the SEC’s disclosure rules can be different than the tax reporting rules.

Information and data on the executive perquisites provided by 325 organizations is included in our last Executive Benefits Survey. Email us at Ayco C&B Digest if you would like a copy emailed to you.

Can Employer 401(k) Contributions Be Tied to Employee Student Loan Repayments?

It has been estimated that 44 million Americans currently have student loan debt. The amount of such debt has nearly tripled in the last decade. According to a 2017 American Student Assistance Survey, 86% of workers between the ages of 22-33 indicated that they would stay with their current employer for at least five years if they helped payoff their student loans. A relatively small number of companies have added student loan assistance as an employee benefit seeking to attract and retain employees with such debt. However, some have questioned whether a more egalitarian benefit can be structured so that not only those employees with student loans could benefit. A recent private letter ruling from the IRS might address this issue and create a new type of student loan repayment benefit.

PLR 201833012 approved a proposed modification to an employer’s 401(k) plan that would link employer contributions made to the plan to the amount of student loan repayments made by the employee during a defined period. This benefit effectively would replace an equivalent employer matching contribution made to the 401(k) plan. Participation in this program is voluntary and an employee who requests the program would not be eligible to receive regular employer matching contributions while participating in the employer’s student loan repayment program. However, the employee could still participate and contribute to the plan.

Under the 401(k) of Abbott Labs, if an employee signs up for the program and makes a student loan repayment equal to at least 2% of the employee’s eligible compensation for that pay period, then the employer would make a student loan repayment (SLR) non-elective contribution to the employee’s account equal to 5% of the employee’s eligible compensation for that pay period as soon as practicable after the end of the plan year. This 5% amount is the same amount as the employer’s matching contribution for employee contributions to the plan. The employer’s SLR non-elective contribution is made without regard to whether the employee makes any elective contributions to the plan during the year. In addition, if the employee does not make a student loan repayment for any period equal to at least 2% of pay, but does make an elective contribution of at least that amount for the pay period, then the employer will make a “true-up” matching contribution on the employee’s behalf as soon as practical after the end of the plan year.

In order to receive either the SLR non-elective contribution or the true-up matching contribution, the employee would need to be employed on the last day of the plan year, with limited exceptions for termination due to death or disability. Both the SLR non-elective contribution and the true-up matching contributions will have the same vesting schedule as regular company matching contributions.

The ruling confirms that the SLR non-elective contribution will not be treated as an employer matching contribution for purposes of any discrimination testing, while a true-up match will be included as a regular employer matching contribution for these purposes.
One of the reasons that the employer sought this private ruling is that under IRC §401(k)(4)(A), a cash or deferred arrangement will not be treated as qualified if any benefit is conditioned (directly or indirectly) on the employee electing to have the employer make or not make contributions under the arrangement in lieu of receiving cash. This does not apply to any company matching contributions made by reason of such an election. The IRS concluded that the SLR non-elective contributions under the proposed program were conditioned on whether the employee makes a student loan repayment and not conditioned on the employee making contributions to the plan. In addition, because an employee who makes student loan repayments is still permitted to make elective contributions to the plan, the SLR non-elective employer contribution is not conditioned on the employee electing to have the employer make or not make contributions in lieu of receiving cash. Therefore, the IRS approved the proposal.

Whether this private ruling, which is binding only on the taxpayer requesting it, will lead other employers to adopt this approach remains to be seen. However, it is an interesting new means of addressing a perceived inequity related to offering student loan assistance to some without offering a comparable benefit to those employees who do not have outstanding student loans. The ERISA Industry Committee (ERIC) already has sent a letter to the IRS asking for it to consider issuing a revenue ruling on this issue to broaden the reach and impact to any employer who may wish to adopt this new benefit. There also are legislative proposals to make loan repayments treated the same as educational assistance under IRC §127.

**Lawsuit on Whether Refusal to Accept Transfer is Basis for Termination “For Cause”**

For more than 15 years, Ronald Peck worked for SELEX Systems Integration which was headquartered in Overland Park, Kansas. He began as the Director of Quality and later was promoted to Vice President of Quality and Engineering. In 2008, he became Vice President of Business Development responsible for all marketing and sales in the U.S. In 2010, SELEX opened an office in Washington D.C. and Peck traveled frequently between his home in Kansas and the D.C. office. In 2011, he moved to DC and officially transferred to the company’s office there. Then in 2012, the company’s CEO notified Peck that he was being removed from his position due to poor performance, but offered him an option to transfer back to the Kansas office and return to his Quality Control position. When Peck declined the transfer claiming it was not an equivalent position to his current role, his employment was terminated.

Peck had become eligible to participate in the company’s nonqualified Key Employee Deferred Compensation Plan in 2008 when he was promoted to VP. Under the plan, benefits vested after five years of plan participation (which Peck did not yet have), but there was acceleration in vesting in the event of termination by the company without cause. The plan also provided that an Administrative Committee had the discretionary authority to interpret and construe terms of the plan.

The Committee took the position that Peck’s voluntary refusal to relocate and new title represented an intentional refusal to perform the material duties of employment. As a result, it refused to pay plan benefits to him upon his submission of a claim. It also refused to pay severance benefits which were payable in the event that employment was terminated due to lack of work, elimination of a position, or change of control. This also would not be payable in the event of a termination for cause.

Peck then sued the company seeking payment of deferred compensation benefits, as well as severance. A federal district court sided with the employer on both claims and Peck then appealed. Recently, the Federal Court of Appeals for the D.C. Circuit issued its opinion agreeing with the lower court’s decision with regard to severance pay, but disagreeing and overturning their decision with regard to the payment of nonqualified deferred compensation.

Peck argued that the company acted unreasonably in deciding that he was terminated for cause, and thus ineligible to receive payout of unvested deferred compensation. Its decision was based, in part, on an interpretation of semantics. The plan provided that a “for cause” termination would occur upon the habitual neglect of, or intentional refusal to perform, any “material” duties. The Court found that an employee would not be refusing to perform the material duties of employment if he declined to accept materially different duties and obligations. Since the executive was offered an opportunity to assume a different position involving a new set of duties and obligations, the court concluded that his refusal to accept the transfer could not reasonably be considered a good cause for terminating him. In contrast, the court concluded that the company was within its right to refuse to pay severance in that he did not meet the qualifications that would allow for a payment of such benefits under the plan. (*Peck vs. SELEX Systems Integration Inc.*)
Did You Know...?

- According to a recent survey conducted by Accountemps, those professionals surveyed, including finance leaders and executives, reported spending more than one-fifth of their work hours in meetings. One-quarter of those surveyed felt that time is wasted. What bothers them the most about meetings were: starts or ends late (66%); unnecessary (63%); too much or not enough time allotted (57%); attendees distracted (i.e., checking phone-57%). Over one-third of workers admitted they are also less engaged during remote meetings.

- The Dept. of Labor’s Wage and Hour Division recently released Opinion Letter FLSA 2018-20 discussing whether time spent voluntarily by an employee participating in wellness activities (physical or fiscal), biometric screenings, and benefit fairs constitutes compensable time. Generally, if participation is voluntary and employee is off-duty, the activities would predominately benefit the employee and not be deemed compensable, per this guidance.

- The largest corporate pension plans (in assets) include: General Motors, Boeing, AT&T, IBM, General Electric, Ford, UPS, Lockheed Martin, Alcatel-Lucent, and Kaiser Foundation Health Plan (per the P&I 100).

- The Tax Cuts & Jobs Act made significant changes in IRC §162(m). Under a transition rule, the law, which expanded the scope of covered executives and eliminated the performance exception, does not apply to compensation payable under a written contract in effect on November 2, 2017. However, in Notice 2018-68, the IRS has indicated that a contract which contains the company’s right to exercise negative discretion will generally not qualify for this exception.

- Form 1099-R for 2018 will reflect a number of changes. These include a new box for reportable death benefits and a new code in box 7 for qualified plan loan offset amounts due to an employee’s termination of employment or termination of the plan.

About This Newsletter

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