



LETTER

Version 7.15

PDF PRINT FILES

Very soon, we will have the ability to provide you with PDF formatted print files. We will let you know as soon as we have tested and what the costs will be.

NEW LIMITS

The new limits for 2007 are as follows:

401(k) Deferrals	\$15,500
Annual DC Limit	\$45,000
Annual Compensation Limit	\$225,000
Catch-up Contribution Limit	\$5,000
HCE Threshold	\$100,000
Social Security Wage Base	\$97,500

OTHERWISE EXCLUDIBLES

After years of operating under what was interpreted to be the criteria for excluding participants from the ADP/ACP tests - not attaining age 21 and having one year of service by either the first day of the plan year or the first day of the seventh month of the plan year - the IRS people at the annual ASPCA conference said that was not the intention. It was their contention that the Entry Dates specified in the plan document should be used along with age 21 and one year of service to determine who was excludible.

HOWEVER, if the plan document specified that the first day of the plan year and the first day of the seventh month should be used for determining the otherwise excludible, instead of the plan's entry dates, that would be acceptable.

System Enhancement: On the DC Run Controls screen, the User has been given the option to choose which entry dates to use for the determination of who qualifies as an otherwise excludible participant.

FYI TIDBITS

The IRS stands firm on calculating GAP earnings on refunds for 2006 & 2007 - even though the Pension Protection Act has repealed them for 2008.

A Safe Harbor plan that only has Safe Harbor contributions and meets the top heavy exemption can use entry date only compensation.

Did you know that you can 'View' any report created by the system using Notepad as your display tool. Notepad has the advantage of displaying the entire report, left to right. You can 'find' just as you do with the classical zero view code. When selecting the 'View' code, use 9 instead of zero.