

In the **loop** w/ FinDec



ERISA Advisory Council

On June 25, FinDec Business Development Officer Kevin Mahoney had the privilege of testifying as a subject matter expert in front of the U.S. Department of Labor's Employee Welfare and Pension Benefit Plans (aka the ERISA Advisory Council). The discussion focused on self-directed brokerage accounts which allow participants to select investment options beyond those specifically designated by the plan's fiduciary and whether additional ERISA guidance is needed.

In his written statement, Kevin notes it is important to encourage Americans to save more money for retirement and offering self-directed accounts may produce an opportunity for people to get excited about preparing for retirement. However, there are also three potential areas to consider when creating

guardrails for self-directed accounts to create clarity for all parties involved:

- Disclosures; offer greater choice and flexibility for all participants
- Accessibility; all plan participants can take part in self-directed brokerage accounts
- Investment options; It is important that all participants can ensure that they choose the right account for them

For more information, check out the full article recapping Kevin's testimony and the Advisory Council's questions, visit our website.

This is a hot issue in retirement: Our CIO Tolen Teigen was recently interviewed in U.S. News & World Report to discuss the pros and cons of brokerage options in retirement accounts.

The information presented is limited to the dissemination of general information on the topics addressed. The information is believed to be factual and up to date, but we do not guarantee its accuracy and it should not be regarded as a complete analysis of the information presented. This information is presented solely for illustrative purposes and for the purposes of discussion. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change.

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Jeff Brusa and FinDecSM are unrelated parties.

Government Relations Update

In our latest webinar, we discussed the latest policy changes in Washington. If you missed the webinar on current events, here's a recap of what was discussed:

Secure 1.0 Act (enacted Jan. 1, 2020)

- Long term part-time eligible employee pension: If someone works more than 500 hours a year for more than three years, you have to put them on the retirement plan.
- The minimum required distribution increased to 72
- Increased penalties for late filing form 5500s and reduced "stretch IRA" from lifetime to 10 years

Secure 2.0 Act (not yet law, still in the Senate)

- Required minimum distributions (RMD): The new required beginning dates for RMDs will commence in 2027 for age 73 and 2033 for age 75.
- High impact provisions: There will be additional credits for employer contributions to encourage companies to match 401k contributions by giving them a tax credit for companies with 50 people or less.
- The catch-up limit increasing to \$10,000
- Provisions have been put into place to reduce long term part-time inclusions from 3 years to 2.

To read more about the policy changes made in Washington, visit our website.

5 Health Insurance Myths Debunked:

On one of our recent webinars, we discussed the nuances of health insurance and some of the longstanding myths with Jeff Brusa, a group health plan and individual health insurance specialist. Health insurance is important to obtain for yourself and your family. But, several myths can change someone's perception of health insurance entirely. Here are the top five myths debunked.

1. Individual plans are cheaper than employer-sponsored plans.
FALSE: mainly employer-sponsored plans are considered more affordable than individual ones.
2. Employees can add or waive their employer coverage anytime they want
FALSE: You have to be added at open enrollment or when you are hired, unless you have a qualifying event
3. Employers are required to give equal benefits to all employees.
TRUE AND FALSE: If you're not using any pre-tax contributions, you can give the management better benefits than non-management as long as the premium is not taken out pre-tax
4. Employers must cover a minimum of 50% of the medical insurance premium for all plans offered to the employees.
FALSE: You're supposed to contribute 50% of the employee only premium of the least costly plan offer.
5. Medical plan deductibles are based on a plan year
FALSE: It's based on the calendar year and not a year from the date you enroll.

For more debunked myths, and a list of different advisors and brokers for you, head over to this blog recap on our website.