

Final Regulations Relating to 403(b) Plans

With the recent and upcoming regulations increasing the fiduciary standard placed on non-profits, such as private and public schools and churches, we feel **it's very important to focus on the 403(b) plans now and address how they will be handled in the future.** Besides other requirements, the IRS is demanding more sponsor involvement with written plans, centralized administration, and responsibility for monitoring investment offerings.

To address these issues, Christensen Brozek Faltys has partnered with Almqvist Maltzahn Galloway & Luth, P.C. located in Grand Island, Nebraska. We have created a solution to offer administration of the plan and low cost investment choices, complemented with personal service, to assist your staff and employees. Both of our firms have a passion for and a clear understanding of school districts and non-profit organizations. We can offer investment advisory services, along with third party administrative services, to provide school districts and non-profits with a complete investment package.

We have **created a "coop"** to share technology, plan documents, and costs with all who participate. By having a common platform, there will be efficiency in training, setup, and support. The only cost is a small annual fee charged directly to the employees' accounts.

We would like an opportunity to discuss these changes with you. Our firms would be interested in presenting our solutions to you and your member organizations and answering any questions you may have. **Please contact Jared Faltys at (402) 371-1160 or Marcy Luth, CPA/PFS at (308) 381-1810 to set up a date and time.**

We look forward to hearing from you and providing answers for you and your member organizations.

QUESTIONS THAT NEED TO BE ADDRESSED BY JANUARY 1, 2009

Are you coping with the new regulations and finding it difficult to satisfy them to IRS standards?

Do you have a written plan for the 403b: model plan, custom plan documents, etc..?

Are you sure about what it means to be a fiduciary? As a fiduciary you must take responsibility for the following:

Offering your employees low cost choices for investing,
Allowing multiple investment choices, and
Administration of the plan.

Do you have a system in place for processing contributions, distributions and loans?

Will you be able to report on the plan activity?

Do you have Third Party Administrator (TPA)?

Has someone explained the difference between Erisa and Non-Erisa?

Will you maintain multiple investment providers or just one?

Have you developed a plan to communicate this new system to the investment providers, administration, and, most importantly, your employees?

RECAP

The new regulations are clearly intended to force plan sponsors to become responsible for everything that touches their plan – investments, expenses, administrative matters, and legal matters. We need to proactively address these issues before the IRS does it for you.