

# QUALIFIED RETIREMENT PLANS

## EMPLOYEE BENEFITS

Qualified retirement plans, such as pension plans and 401(k) profit-sharing plans, can provide employers with important tools for recruiting, retaining, and rewarding their employees. They also provide employees with significant tax advantages such as:

- Ability to save for retirement using pre-tax dollars
- Benefits are earned and earnings accumulate on a tax-deferred basis
- Favorable tax rules upon distribution to employees

Many tax experts refer to qualified plans as the “last remaining tax shelter.” The attorneys at Hinkle Law Firm LLC have extensive experience in designing and drafting qualified plans. Although these plans offer great benefits, they are subject to a maze of ever-changing rules and regulations. We continually monitor these changes to assist our clients in complying with applicable federal and state laws. Unless properly designed and administered, the potential benefits of a qualified plan cannot only be lost, but draconian government penalties, civil damages, and legal fees can also result. Our job is to help our clients ensure this does not happen.

### TAILORING PLANS TO FIT YOUR NEEDS

We tailor the provisions of our plans to meet your individual needs. We design and draft all types of plans, including:

- 401(k) Plans
- Profit Sharing Plans
- Money Purchase Pension Plans
- SIMPLE Plans
- Stock Bonus Plans
- Target Benefit Plans
- Cross-Tested Plans
- Employee Stock Ownership Plans (ESOPs)
- Defined Benefit Plans
- Cash Balance Plans

### ALL DOCUMENTATION INCLUDED

As part of our plan document preparation services, we provide all of the documents necessary to properly implement your plan, including:

- A plan document in compliance with ERISA and the Internal Revenue Code
- Summary plan description

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**HINKLE**

LAW FIRM LLC

At Hinkle Law Firm, our experience gives you the power to do good business with your eyes open. With Hinkle, there's no reason to look anywhere but forward.

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## **ALL DOCUMENTATION INCLUDED** (continued)

- Basic administrative forms:
  - Designation of beneficiary form
  - Distribution notices and elections
  - Rollover forms
  - Salary reduction agreements for 401(k) plans
  - Explanatory information outlining fundamentals of plan administration

In addition to the documents included in our basic plan document package, we will also prepare the following upon request by the client:

- Qualified Domestic Relations Order package
- Participant direction of investment documents (necessary to comply with ERISA §404(c))
- Loan document package

## **ONGOING SUPPORT**

By providing the proper notices and disclosures, we help you avoid penalties. Government penalties can be as high as \$110 per day, per participant, for a failure to give required ERISA documentation.

Our attorneys are available on an ongoing basis to answer any questions you may have about the administration of your plan. A hallmark of our practice is our dedication to promptly respond to inquiries and resolve problems. Your answer to complicated plan questions is just a phone call away.

We can support you or your accountant in preparing annual reports and annual forms required by the IRS and Department of Labor, including:

- The annual trust accounting and plan financial reports
- Participant statements
- IRS Form 5500 and Form 1099-R (as needed)

We can perform, or assist in performing, any necessary nondiscrimination testing, including testing deferral and matching percentages. We can also conduct controlled group and affiliated service group analyses for clients who own or control multiple entities that have employees.

## **IRS AND DOL CORRECTION PROGRAMS**

If a plan runs into problems, the IRS has created programs through which a plan may avoid disqualification and IRS penalties.

The programs are provided under a comprehensive system called the Employee Plans Compliance Resolution System or EPCRS. Under EPCRS, there are three different programs that may be used: the Audit Closing Agreement Program (Audit CAP), the Voluntary Correction Program (VCP), and the Self-Correction Program (SCP).

The DOL also maintains programs to correct certain problems – the Voluntary Fiduciary Correction Program (VFPC) and the Delinquent Filer Voluntary Compliance Program (DFVCP).

If you discover a problem with your plan or if it is examined by the IRS or DOL, Hinkle Law Firm LLC can advise and assist you with the plan corrections. We can also help you conduct an annual self-exam to determine if any violations have occurred. It is better to catch and correct violations yourself rather than to have them discovered by the IRS or DOL during an audit.

