

AICPA EMPLOYEE BENEFIT PLAN AUDIT QUALITY CENTER

by Elizabeth Keating, CPA, Senior Accountant

Did you know that the American Institute of Certified Public Accountants (AICPA) has resources available to employee benefit plan auditors and sponsors, designed to help them better serve in their roles as plan auditors, administrators, and fiduciaries? The Employee Benefit Plan Audit Quality Center (EBPAQC) is a special tool designed to guide auditors in public practice, as well as those in private industry who administer their company's employee benefit plans. The EBPAQC has several features including:

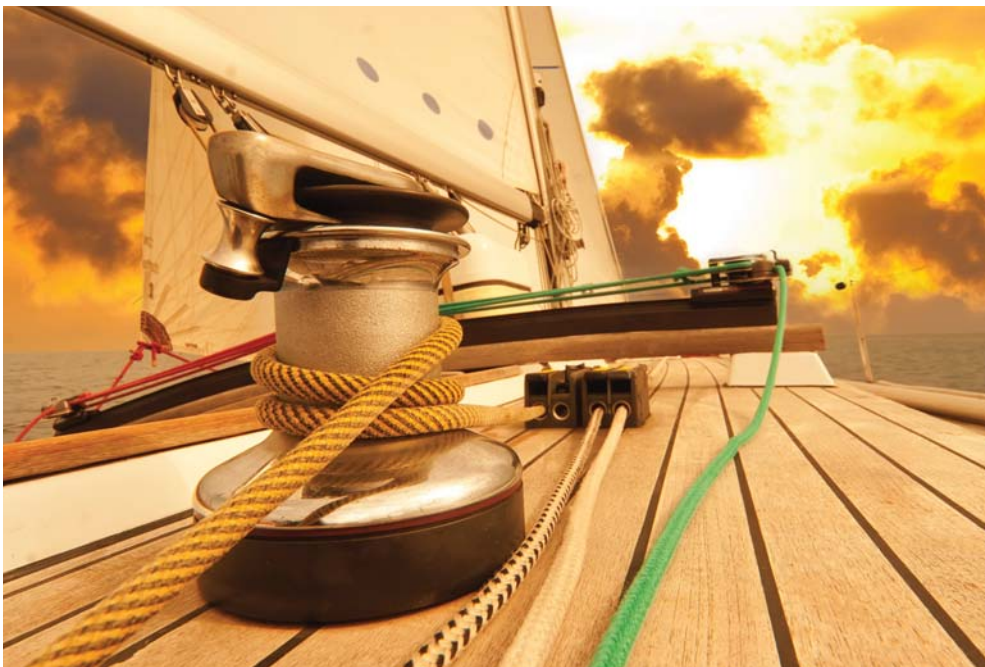
- Access to the latest news, publications, and resources related to benefit plans including plan advisories on Monitoring Outsourced Recordkeeping and Reporting, Internal Controls, Plan Investments, Understanding Auditor Communications and EBP Financial Statement Audit.
- Community tools such as the Member-To-Member Discussion

Forum where member users can ask each other questions on specific issues.

- Continuing Professional Education and other events such as educational conferences, both live and web-based. During some events, participants have the opportunity to ask questions of the industry's leaders from the AICPA EBPAQC, DOL, IRS, and other influential organizations.
- Access to the AICPA Store where members can purchase publications on various employee benefit plan topics such as auditing, accounting, and best practices. Members can also use the store to search and register for industry conferences.
- Links to the United States Department of Labor website with a focus on helpful guidance regarding fiduciary responsibility, insurance coverage requirements, selecting a

plan auditor, and other guidance on regulatory compliance issues.

To access the EBPAQC, visit the AICPA website at www.aicpa.org, navigate to the Interest Areas section of the website, and select the Employee Benefit Plan Audit Quality Center menu. Many resources on the web site are available to the general public. Many more features are available to members of the EBPAQC. While membership of the EBPAQC is limited to CPAs performing audits of employee benefit plans, any current or previously licensed CPA can become a member of the AICPA in order to gain access to AICPA conferences and publications. Shannon & Associates, LLP is a member of the EBPAQC and can also assist our clients with questions or obtain practice aids from the member's only section. Please contact us if you have any specific areas of interest or need assistance.



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LOCATING MISSING PARTICIPANTS OR BENEFICIARIES

by Julie Courtney, CPA, Partner

Plan sponsors and administrators sometimes need to locate missing participants or beneficiaries. For example, a plan failure cured under the Employee Plans Compliance Resolution System (EPCRS) may require payment of additional benefits to terminated participants. Additionally, if a plan is terminating, a plan administrator must distribute all of a plan's assets as soon as administratively feasible. Most of the time, normal methods of delivering notice to participants such as first class mail or electronic notification will work, but sometimes notification can be a difficult task if the participant is unresponsive. Fiduciaries have a responsibility to make reasonable efforts to locate missing participants and beneficiaries.

Previously, the IRS provided letter-forwarding services to help locate missing plan participants, but with the August 31, 2012, release of Revenue Procedure 2012-35, the IRS stopped this letter forwarding program. The IRS will no longer process requests to locate retirement plan participants or beneficiaries.

DOL guidelines

The Department of Labor has issued Field Assistance Bulletin (FAB) No. 2014-01 to help provide guidance on locating missing participants. The FAB primarily focuses on plans that are terminating but the same ideas can be applied with any need to locate a missing participant. The FAB lists the following search methods as the minimum steps the fiduciary of a

terminated defined contribution plan must take to locate a participant:

- Send a notice using certified mail.
- Check the records of the employer or any related plans of the employer.
- Send an inquiry to the designated beneficiary of the missing participant.
- Use free electronic search tools (examples are: internet search engines; public record databases for licenses, mortgages, real estate taxes; obituaries; and social media).

FAB 2014-01 also describes additional appropriate search methods and the distribution options for a terminating plan if a participant cannot be located. If a participant can't be located, fiduciaries must always consider distributing the accounts into individual retirement plans. If this is not possible, other options include distributing into a federally insured bank account or the state unclaimed property fund. The FAB also discusses the fiduciary considerations for the distribution options and the full text can be found at www.dol.gov/ebsa/regs/fab2014-1.html.

Sources: IRS.gov, DOL.gov



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SHANNON & ASSOCIATES GIVES BACK

This year, we at Shannon & Associates have taken several opportunities to give back in our community. Listed below are some of the great causes we have been honored to be a part of.

Wings of Karen 5k Bra Dash

The 3rd Annual Wings of Karen 5k Bra Dash was a powerful and inspirational event. The vision to fund our local research community and encourage all those facing breast cancer was realized as a fantastic turnout of participants and volunteers came together to dash in pursuit of a cure. Almost \$150,000 was raised to help advance promising breast cancer research. It truly was a celebration of what we all can do as a community to create a world without breast cancer.

We were honored to have Dr. Mary Claire King speak to us this year, with her emphatic words.

“There is no other foundation like Wings of Karen, which allows researchers like me the flexibility to do what needs to be done to find a cure for breast cancer with no strings attached.”

United Way Day of Caring

A whopping 11,800 volunteers lent their time and energy to nonprofits all over the community as part of the 2014 United Way Day of Caring. This is truly the prime time in King County for people to come together to give back.



We at Shannon & Associates went out and did some painting in the Hillside Lodge building at Camp Berachah in Auburn. We had 12 volunteers and were able to paint 6 rooms before the day was done.

Kent Turkey Challenge

We are currently partnering with several Kent businesses taking part in the 4th Annual Kent Turkey Challenge!

The dates are October 6th - November 19th.

The 4th Annual Kent Turkey Challenge is a competition between Kent businesses and organizations to collect the most food and money for the Kent Food Bank

to help feed families a Thanksgiving meal. This year we have a goal of raising \$17,000 and 4,000 lbs of food.

Over the past three years the Annual Kent Turkey Challenge has raised over \$34,500 and 6,400 lbs of food for the Kent Food Bank!

If you would like to be a part of this endeavor, please bring in your nonperishable food items or you can buy a paper turkey for \$10. Money donated will go to purchase Thanksgiving turkeys for families in need.



2015 RETIREMENT PLAN LIMITS

The IRS has announced many cost-of-living adjustments (COLAs) that apply to retirement benefit plan limitations. Below are selected COLAs for 2015, compared to their 2014 levels.

	2015	2014
Defined Contribution Plan Dollar Limit on Annual Additions	\$53,000	\$52,000
Defined Benefit Plan Limit on Annual Benefits	\$210,000	\$210,000
Maximum Compensation Used to Determine Benefits or Contributions	\$265,000	\$260,000
401(k), 403(b), and 457 Plan Deferrals/Catch-up	\$18,000/\$6,000	\$17,500/\$5,500
SIMPLE Deferrals/Catch-up	\$12,500/\$3,000	\$12,000/\$2,500
IRA Contributions/Catch-up	\$5,500/\$1,000	\$5,500/\$1,000
Dollar Limit Used to Define Highly Compensated Employees	\$120,000	\$115,000
Compensation Defining Key Employee (Officer) for Top-Heavy Plans	\$170,000	\$170,000
Social Security Taxable Wage Base	\$118,500	\$117,000



Julie Courtney, CPA, Partner, our Director of Accounting and Auditing for Shannon & Associates, is in charge of the firm's employee benefit plan audit practice. Julie is involved in all aspects of the audits we perform as well as plan consulting and advisory services.

Julie has over 20 years of public accounting experience. Her areas of expertise include benefit plan and financial audits and financial reporting. Her responsibilities include advising closely-held businesses, internal control review, and various tax engagements. She also assists in quality control and staff training for the firm. Julie attends the AICPA National Conference on Benefit Plans annually. She has served clients in many industries including the following: manufacturing, non-profit organizations, real estate development, wholesale distributors, restaurants, construction (home builders), and professional services. Julie holds a Bachelor of Arts degree in Accounting from Western Washington University.



Bethany Hulbert, CPC, our Employee Benefits Consultant, has over 10 years experience specializing in defined contribution plan administration and holds the Certified Pension Consultant (CPC) credential from the American Society of Pension Professionals and Actuaries (ASPPA). This experience, along with her educational background in accounting and attendance at numerous seminars and courses, has resulted in an up-to-date mastery in profit sharing, 401(k), and money purchase pension plans. We encourage you to contact Bethany regarding any questions you may have with your defined contribution plans.

Bethany provides expert and timely services in the areas of plan document design, implementation and submission to the IRS; employee communications; all aspects of plan administration; evaluation of controlled groups and related businesses; discrimination/coverage testing and solutions; compliance with all reporting required by the IRS and DOL; and minimum required distributions.

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