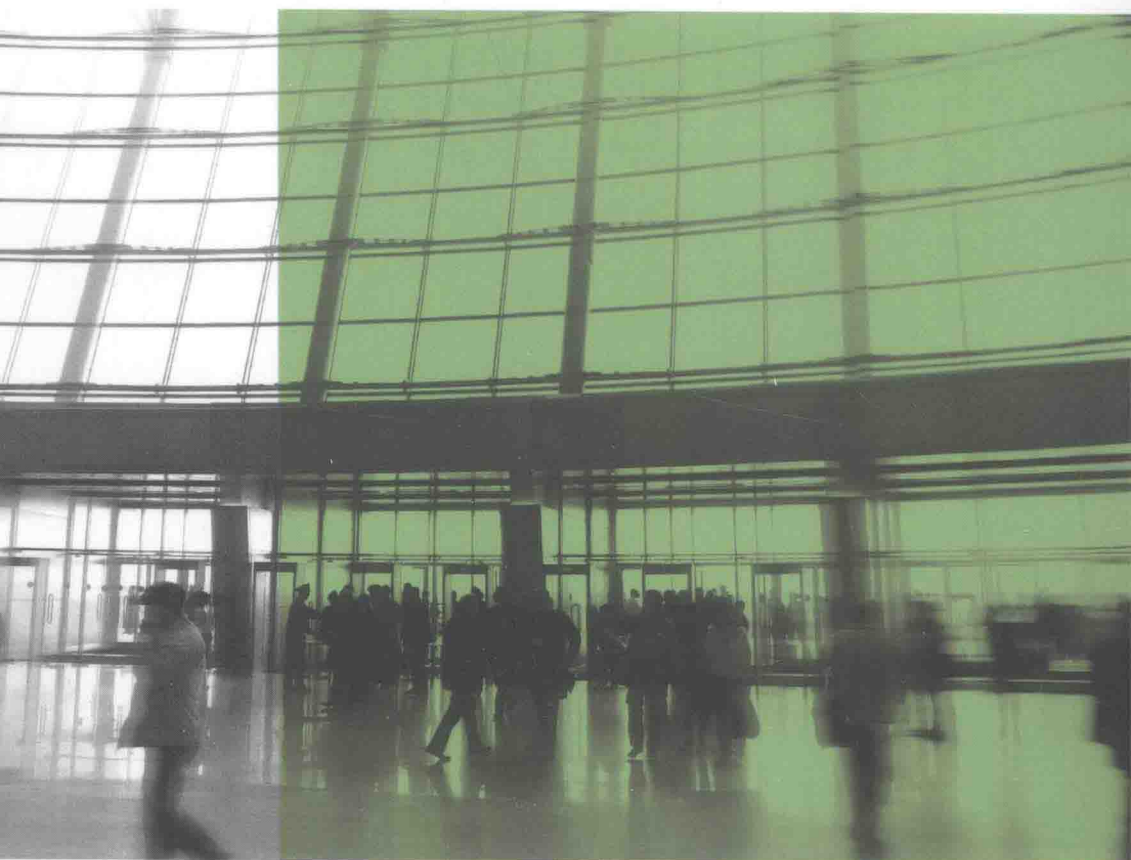


2017

U.S. MASTER™

Pension Guide



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2017 Master Pension Guide



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U.S. Master™ Pension Guide

RETIREMENT PLAN COLAS

	2017	2016	2015
Maximum annual benefit for DB plan	215,000	210,000	210,000
Maximum contribution for DC plan	54,000	53,000	53,000
Annual compensation limit	270,000	265,000	265,000
401(k) elective deferrals	18,000	18,000	18,000
Maximum annual tax sheltered annuity deferral	18,000	18,000	18,000
Catch-up contributions (non-SIMPLE)	6,000	6,000	6,000
Tax credit ESOP maximum balance	1,080,000	1,070,000	1,070,000
Amount for lengthening of 5-year ESOP period	215,000	210,000	210,000
Highly compensated employee limit	120,000	120,000	120,000
SIMPLE plan employee deferral limit	12,500	12,500	12,500
Catch-up contributions (SIMPLE)	3,000	3,000	3,000
Minimum compensation for SEP coverage	600	600	600
Compensation limit for SEPs	270,000	265,000	265,000
Deferral limits for plans of state and local governments and tax-exempt organizations	18,000	18,000	18,000
Grandfathered compensation rule for government plans	400,000	395,000	395,000

PBGC MAXIMUM MONTHLY BENEFIT

Maximum monthly guarantee	5,369.32	5,011.36	5,011.36
Maximum annual guarantee	64,432.00	60,136.32	60,136.32

SOCIAL SECURITY

Employer/Employee	7.65% (6.2% OASDI, 1.45% HI*)	7.65% (6.2% OASDI, 1.45% HI*)	7.65% (6.2% OASDI, 1.45% HI*)
Self-employed	15.30% (12.4% OASDI, 2.9% HI*)	15.30% (12.4% OASDI, 2.9% HI*)	15.30% (12.4% OASDI, 2.9% HI*)
Taxable wage base			
OASDI maximum taxable earnings	127,200	118,500	118,500
Taxable wage base: HI maximum taxable earnings	unlimited	unlimited	unlimited
Quarter of coverage	1,300	1,260	1,220
Retirement earnings test exempt amounts			
Upon attaining full retirement age (FRA)	unlimited	unlimited	unlimited
Year of attainment of FRA	3,740 per month 44,880 per year	3,490 per month 41,880 per year	3,490 per month 41,880 per year
Under FRA	16,920 per year	15,720 per year	15,720 per year
Maximum benefits if benefits begin at FRA (66)***	2,687 per month	2,639** per month	2,663 per month

* The employee portion of the HI (Medicare) tax amount increases beginning in 2013 for certain high wage earners and for certain investment income.

** A decrease in full maximum benefits occurs when there is no COLA, but there is an increase in the national average wage index.

*** The age at which a retiree is entitled to his or her full benefit amount-i.e., the age at which benefits are no longer reduced on account of early retirement-is gradually increasing to age 67.

KEY EXCISE TAXES AND PENALTIES

Failure to meet funding standards	10% initial tax (5% for multiemployer plans); 100% additional tax if not corrected
Excess contribution to qualified plans	10% nondeductible excise tax on contribution exceeding deduction limit
Excess contribution to 401(k) plan	10% excise tax on excess contribution or excess aggregate contribution
Excess contribution to IRA	Lesser of 6% of excess contribution or 6% of value of account
Early distribution from qualified plans and IRAs	10% of early distribution
Excess accumulation in qualified plans and IRAs	50% of required minimum distribution
Prohibited transactions	15% of amount involved in prohibited transaction; 100% if correction not made within 90 days after notice of deficiency mailed
Reversion of excess amounts from terminating plan	20% of reversion amount; 50% of reversion amount if employer does not establish a successor plan

PENALTIES FOR REPORTING, NOTICE AND DISCLOSURE VIOLATIONS

Failure to file Form 5500	IRS: \$25 per day, up to \$15,000 DOL: up to \$2,063 per day PBGC: up to \$2,063 per day
Failure to file required schedule of Form 5500	IRS: \$1,000 for each failure
Failure to provide notice of rollover information	\$100 for each failure, up to \$50,000 for all failures in a calendar year
Breach of ERISA fiduciary duties	20% of applicable recovery amount
Failure to pay PBGC premiums	Up to 100% of premium (plus interest)
Failure to provide notice or material information regarding PBGC plan termination insurance	Up to \$2,063 per day

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GUIDANCE ON RETIREMENT PLANS

The assets of all tax-favored retirement plans, including qualified employer plans, governmental plans, and IRAs, constitute the largest single source of private investment capital in the U.S. economy.

Qualified plans are one of the most valued elements in an employee's total compensation package and are the major form of investment and savings for most American workers. From the employer's standpoint, qualified plans offer many tax advantages and can help attract and retain the best employees. However, the rules for establishing, maintaining, and terminating qualified plans are complex and constantly changing. The U.S. MASTER™ PENSION GUIDE provides a comprehensive overview of qualified retirement plans. The book begins with a survey of the different types of plans from which an employer may choose, then describes the procedures for obtaining plan qualification.

Plans must meet numerous requirements established by both the IRS and the Department of Labor, including minimum participation, coverage and vesting rules, nondiscrimination requirements, and rules relating to distributions, reporting and disclosure, funding, and fiduciary standards. These topics are covered in separate chapters and set out in an easy-to-understand format in this publication. Examples and pointers are used throughout to illustrate the rules..

The book incorporates key legislation, regulations, rulings, and court decisions issued in 2016. In addition, the book contains numerous cross references to the PENSION PLAN GUIDE where more detailed information may be obtained on a given topic.

The PENSION PLAN GUIDE is a fourteen-volume full text looseleaf reporter that contains explanations, full text of law, regulations and rulings, leading court cases, expert commentary, and sample plans. The GUIDE also is available on the Internet.

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Plan Reporting Calendar

Employee benefit plans are subject to numerous reporting and disclosure requirements. In addition, various information returns must be filed for employee benefit plans. See ¶ 2200 for a discussion of the reporting and disclosure requirements applicable to employee benefit plans.

A comprehensive calendar summarizing various reporting requirements appears on the following pages. The calendar indicates the date by which reports must be filed or documents must be provided to participants and other parties. All types of reports, whether or not there is an official form, are listed. The calendar shows who is required to file and who must be given copies, and provides a concise description of the subject matter.

□ See ¶ 2859 for a detailed reporting calendar that indicates deadlines for plan termination-related reports and disclosures.

2017 Filing Due Dates for 2016 Calendar Year Plans

(1) Due Date	(2) Document	(3) Form	(4) Who Files	(5) Furnished To
See Col. (5)	Summary plan description (SPD) and statement of ERISA rights	None prescribed	Administrator of following plans: defined benefit, money purchase, profit-sharing, stock bonus, annuity, multiemployer, collectively-bargained, employer- or union-sponsored IRA, nonqualified (other than unfunded excess benefit plans) and electing church plans	Each participant or beneficiary within 90 days after he or she becomes a participant or beneficiary, or if later, within 120 days after the plan becomes subject to the reporting and disclosure requirements, and to the Dept. of Labor only upon request

(1) Due Date	(2) Document	(3) Form	(4) Who Files	(5) Furnished To
See Col. (5)	Updated summary plan description	None prescribed	Administrator of following plans: defined benefit, money purchase, profit-sharing, stock bonus, annuity, multiemployer, collectively-bargained, employer- or union-sponsored IRA, nonqualified (other than unfunded excess benefit plans) and electing church plans	Participants and beneficiaries within 210 days after the end of the appropriate plan year—generally, every 5 years if there are plan amendments but, if no plan amendments, every 10 years, and to the Dept. of Labor only upon request
See Col. (5)	Summary of material modifications (SMMs) or changes in information made during 2016 and not included in a timely summary plan description	None prescribed	Administrator of following plans: defined benefit, money purchase, profit-sharing, stock bonus, annuity, multiemployer, collectively-bargained, employer- or union-sponsored IRA, nonqualified, and electing church plans	Participants and beneficiaries not later than 210 days after the end of the plan year in which the change is adopted, and to the Dept. of Labor only upon request
See Col. (5)	First-time notice of election not to have withholding apply to periodic payments (<i>Note:</i> There is a mandatory 20% withholding on periodic payments that are (1) payable over less than 10 years or the participant's life or life expectancy (or the joint lives or life expectancies of the participant and designated beneficiary) and (2) are not directly transferred to another qualified plan or IRA. Participants may not elect out of this withholding. Mandatory withholding does not apply to nonqualified plans or IRAs.)	None prescribed	Payer of periodic annuity, pension, retirement pay, or IRA payments under the following plans: defined benefit, money purchase, profit-sharing, stock bonus, annuity, multiemployer, collectively-bargained, IRA, government (including Code Sec. 457 plans) and church plans	Recipient of periodic annuity, pension, or retirement pay no earlier than 6 months before and no later than the first payment

(1) Due Date	(2) Document	(3) Form	(4) Who Files	(5) Furnished To
See Col. (5)	Short notice of election for periodic payments (<i>Note:</i> There is a mandatory 20% withholding on periodic payments that are (1) payable over less than 10 years or the participant's life or life expectancy (or the joint lives or life expectancies of the participant and designated beneficiary) and (2) are not directly transferred to another qualified plan or IRA. Participants may not elect out of this withholding. Mandatory withholding does not apply to nonqualified plans or IRAs.)	None prescribed	Payer of periodic annuity, pension, retirement pay, or IRA payments who furnished full withholding notice prior to making first payment	Recipient of periodic annuity, pension, retirement pay, or IRA payments when first payment is made
See Col. (5)	Annual notice of election not to have withholding apply to periodic payments or revocation of such election (<i>Note:</i> There is a mandatory 20% withholding on periodic payments that are (1) payable over less than 10 years or the participant's life or life expectancy (or the joint lives or life expectancies of the participant and designated beneficiary) and (2) are not directly transferred to another qualified plan or IRA. Participants may not elect out of this withholding. Mandatory withholding does not apply to nonqualified plans or IRAs.)	None prescribed	Payer of periodic annuity, pension, retirement pay, or IRA payments under the following plans: defined benefit, money purchase, profit-sharing, stock bonus, annuity, multiemployer, collectively-bargained, IRA, government (including Code Sec. 457 plans) and church plans	Recipient of periodic annuity, pension, retirement pay, or IRA payments approximately the same time each calendar year after the notice that is provided with the first payment