# Quarterly Insight

Legislative, economic, and industry tips from the Retirement Team

Alliant RETIREMENT CONSULTING

## Economic Outlook at a Glance (Q1) – Walking a tightrope.

**This quarter's themes:** Economy in 2020: Stable growth with political noise. Fixed income: Low and stable rates. U.S. equities: Earnings hold the key. International equities: Hard to ignore in 2020. Read attached document for more information. *(source: JPMorgan Quarterly Perspectives)*

## Legislative News and Updates

**The "SECURE" Act has passed:** The Setting Every Community Up for Retirement Enhancement Act, commonly known as the "**SECURE Act**" has PASSED! The provisions of this Act were included in the U.S. Congress Fiscal Year 2020 Consolidated Domestic and International Assistance Package. The Act was signed into law on **December 20, 2019**. Provisions include:

- Increase in age for required beginning date for mandatory distributions from **70 ½ to 72**
- Increase auto escalation safe harbor cap from **10% to 15%**
- The annual safe harbor notice is **no longer required** for plans using the non-elective contribution approach.
- Increase the late filing penalties for Form 5500 to **$250 per day**, not to exceed $150,000
- Allow for **penalty-free withdrawals** from retirement plans for expenses related to the birth of a child or for expenses related to an adoption (effective for distributions made after December 31, 2019)

Read more **here**.

**Important Deadlines:** **January 31st** is the deadline for sending Form 1099-R to participants who received distributions during the previous year. **February 14th** is the deadline for participant-directed defined contribution (DC) plans to provide participants with the quarterly benefit/disclosure statement and statement of plan fees and expenses actually charged to individual plan accounts during last quarter of 2019. (**Due 45 days** after the end of the quarter). *Note: Not all mentioned above are required for each retirement program. Ask your Alliant Retirement Consultant today which ones apply to your Plan.* Click **here** for the 2020 ERISA Plan Compliance Calendar.

## Industry Insider Tips – Avoid Pitfalls in Plan Administration

**Ensuring a Clean Recordkeeper Conversion**

There are steps retirement plan sponsors can take **before converting** to a new recordkeeper to minimize any "clean up" afterwards; however, there is **always follow up** to do. It's important to do a complete data, participant record and plan provision check-up post-conversion. Read more **here.**

## What do your employees really want?

**Emergency savings and wellness.** A recent report from Cerulli, "U.S. Retirement End-Investor 2019: Driving Participant Outcomes With Financial Wellness Programs," says participants' primary sources of financial stress are **healthcare expenses**, cited by 30.5%, **insufficient retirement savings** (25.7%), **monthly bills** (10.7%), **inadequate emergency savings** (10.6%), **credit card debt** (8.4%), and **student loan debt** (4.7%). By including the **right elements** in a financial wellness program, employers can help employees squirrel away more emergency and retirement savings. Click **here** to get tips on evolving your financial wellness program in 2020.

## WHAT'S NEW AT ALLIANT

### Monthly Employee Education Webinars

*Missed our December webinar?*

*Click here for Budgeting Basics replay!*

**UP/DOWN -** The S&P 500 has been up 40 of the last 50 years, i.e., 1970-2019, gaining an average of **+10.6% per year** (total return). The stock index has produced an average annual gain of **+18.1%** (total return) during the 40 **"up" years** while losing an average of **14.8%** (total return) during the 10 **"down" years** (source: BTN Research). **THEIR FOOTPRINT HERE** -There are **172 Chinese companies** listed on **major US stock exchanges** (source: U.S.-China Economic and Security Review Commission.
**ALL THE OTHER STUFF- Administrative costs** make up **34% of total US health care expenditures** (i.e., expenses not related to direct patient care) including medical billing, the scheduling of appointments, and hiring of an office staff (source: Annals of Internal Medicine).

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