

the
MANDMARBLESTONE Group llc

October 2009

retirement plans redefined

“In this difficult economy, the 401(k) Safe Harbor Option is a planning opportunity that business owners needing contribution flexibility must not miss!”

“With the end of the year rapidly approaching, now is the time to review your retirement plan program to make sure that important, time sensitive opportunities are not missed.”

“Don't be limited by the INFLEXIBILITY of a prototype retirement plan document.”

The MandMarblestone IRS-approved *OCPP*[®] plan design allows maximum flexibility under the law.”

401(K) RECESSION PLANNING

MAXIMIZE YEAR END 401(K) TAX SAVINGS AND STILL MAINTAIN CONTRIBUTION FLEXIBILITY!

IMMEDIATE ACTION REQUIRED!!!

With the end of this difficult economic year rapidly approaching, now is the time to review your retirement plan program to make sure that important, time sensitive opportunities are not missed.

It's Not Too Late for Owners to Maximize at the \$49,000 or \$54,500 level in 2009!

Don't have a plan? Put in a new plan now! Have a plan? Modify it now! Either way, reduce your 2009 taxes and your 2009 staff contribution expense.

Both new and existing plans, including restrictive prototype documents, may be implemented or amended retroactively to January 1, 2009, to take advantage of tax savings opportunities. **MandMarblestone's *OCPP*[®] (One Category Per Participant) plan design provides larger contributions for owners and other favored employees at a lower cost to all other staff than may be achieved under traditional or prototype plan documents.**

Guarantee Maximum 2010 Owner Deferrals – But hurry! There is a December 1, 2009 Deadline:

- **Maximum Flexibility - Safe Harbor Option:**

Given current economic conditions, business owners may be reluctant to commit in advance to an obligatory 2010 safe harbor contribution. **With a Safe Harbor Option, the 2010 contribution commitment decision can be postponed until December 1, 2010!** As with a traditional safe harbor election, the safe harbor option decision for the 2010 plan year must be made and communicated to employees at least 30 days before the beginning of the plan year.

To learn more about our OCPP® plan design or about retirement planning in general, please call the MandMarblestone Group at 215-222-5000.

- **Traditional Safe Harbor:**

A safe harbor election allows all highly compensated employees to defer the maximum amount into their 401(k) plan on a pre-tax basis (\$16,500, or \$22,000 if age 50 or older), and regardless of the level of participation by non-highly compensated employees. In order to be valid for 2010, this election generally must be made and communicated to employees by December 1, 2009.

The MandMarblestone Group does not offer investments or provide investment advice. That is the responsibility of a 401(k) investment professional.

Do Not Forget the EGTRRA Plan Restatement!

All defined contributions plans, including 401(k) and Profit Sharing plans, **must** be restated in their entirety by April 30, 2010 to retain their tax qualified status with the IRS. **This restatement is an opportunity to implement the MandMarblestone OCPP® (One Category Per Participant) plan design that allows:**

- Maximum contribution to owners, family members and favored employees
- Reduction of staff contribution expense
- Maximum contribution flexibility on a yearly basis to be responsive to economic and business changes without the need for a costly plan amendment

If you want to take advantage of these opportunities or talk to us about what they might mean for you, call or e-mail Bob Mand, Ken Marblestone or Lori Gordon at MandMarblestone. 215-222-5000.

We also remediate noncompliant retirement plans to full IRS compliance.

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☞☞ You also may reach us through our website: www.mand.com.

If you do not wish to receive future copies of our e-mail notifications, please reply to info@mand.com and type the word unsubscribe in the subject line. This e-mail is sent in order to share general planning concepts. It is not intended to constitute legal advice.
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