



Summer 2015

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President's Message

*Ronnie Davenport, Chapter President
WP&BC San Diego Chapter*



I'd like to thank everyone for another successful year. We made several changes this past year that we hope you found refreshing— a new look to our meeting invites featuring our beautiful San Diego skyline, gift card giveaways, a stocked candy jar at the registration desk and our quarterly chapter newsletters highlighting our membership meetings, hot topics, trivia and spotlight member interviews. Our membership appreciation event held immediately following our Ethics seminar last month was well attended. Something we look forward to doing on a larger scale next year.

Also, your newly-elected board and committee members for the upcoming 2015-2016 year will be working hard over the summer soliciting another great program line up and guest speakers, so if you have any suggestions for your programs committee, please reach out to me or our Chapter Administrator, Lori Mason.

Wishing you all a fun filled summer. Look forward to seeing you at our first membership meeting of the year on September 15th at the Doubletree Hotel in Hazard Center.

As always, if you would like more information about our chapter, please feel free to reach out to our Chapter Administrator Lori Mason at (619) 405-3874 info@wpbcсандiego.org or to me or any one of our board members. We would be more than happy to answer your questions.

Ronnie Davenport
Chapter President



2015 Hot Topics Summaries

By: Elizabeth Van Clief

President Obama's 2016 budget includes retirement plan reform

On February 2, 2015, President Obama issued his budget proposal for the fiscal year 2016 which includes two initiatives in the area of retirement benefits. First, the President proposes that retirement plans should be required to allow part-time employees to participate in the voluntary contribution section of retirement plans. Specifically, under the proposal every part-time employee who has at least 500 hours of service in three consecutive years must be permitted to participate in the retirement plan for purposes of making voluntary contributions. Employers would not be required to include the part time employees in matching or profit sharing contributions.

The second proposal in the President's budget is an allocation of an additional \$6.5 million to the Department of Labor ("DOL") to allow the DOL to regulate a trial program for state-based auto enrollment IRAs. The auto-enrollment IRAs would be offered by willing employers in certain states as part of a trial program to provide easier retirement benefit options for employees when their employer does not sponsor a traditional retirement plan. The President's complete budget proposal for 2016 can be found on the White House website: <http://www.whitehouse.gov/omb/budget/Overview>.

DOL issues additional guidance on implementation of the Affordable Care Act for "excepted benefits"

On February 13, 2015, the Employee Benefits Security Administration ("EBSA"), together with Health and Human Services, and the U.S. Treasury, issued guidance in the form of frequently asked questions on the category of "excepted benefits" from the Affordable Care Act. Most provisions of the Public Health Service Act do not apply to the type of health insurance benefit that is considered an "excepted benefit." For this reason, many insurance companies are attempting to sell insurance products that are touted as providing "excepted benefits."

The FAQs clarified that insurance that is specifically designed to fill gaps in primary coverage (such as filling in the gaps of deductibles) can be an excepted benefit. There are four elements that must be met for insurance to be an excepted benefit: (1) the insurance must be issued by an entity that does not provide the primary coverage under the plan; (2) the insurance must be specifically designed to fill gaps in primary coverage; (3) the cost of the insurance may not exceed 15 percent of the cost of primary coverage; and (4) the insurance sold in the group insurance market must not differentiate among individuals in eligibility, benefits, or premiums based upon any health factor of the individual or their dependents. The FAQs are Part XXII of the FAQs about Affordable Care Act Implementation.

Office of Associate Chief Counsel to take on more responsibilities in the area of retirement benefits

On January 7, 2015, the U.S. Treasury issued a memorandum announcing that responsibility for certain complicated aspects of employee plans and IRAs is no longer going to be handled by the Tax Exempt and Government Entities division of the IRS. Instead, the Office of Associate Chief Counsel (IRS attorneys) will take on responsibility for authoring certain types of IRS guidance for retirement plans including revenue rulings, revenue procedures, announcements, notices, technical advice (including technical advice memoranda (TAMs) and IRC 7805(b) relief), certain letter rulings, and information letters. Of course there is a new acronym that all professionals need to be familiar with now: Office of Associate Chief Counsel (Tax Exempt and Government Entities) shall be referred to as "TEGE Counsel."

What heights will CPA Geri Wood climb to next?

By: Elizabeth Van Clief



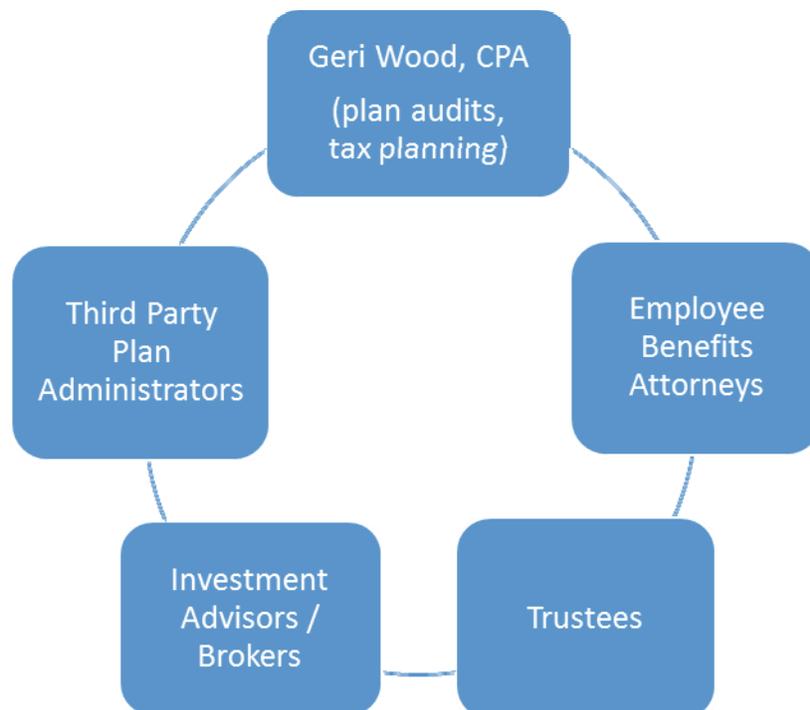
This is the first of our newsletter's spotlight articles on notable members of WP&BC.

As a long-standing member and past president of WP&BC's San Diego Chapter, CPA Geri Wood enjoys the challenges of retirement plan work (including plan audits and tax planning). What you might not know about Geri is she also loves the challenge of hiking Iron Mountain with her father. As an avid hiker, Geri frequently hikes East County's El Capitan, has hiked Mt. Whitney in the past, and is planning to hike Kauai's famous Ka'anapali Coast (a treacherous, 12-mile trek) in the next two years.

Professionally, Geri recently became a partner at Hutchinson & Bloodgood, LLP, where she leads a niche practice of retirement plan audits in the San Diego office, and is the "go to" CPA for retirement plan audits in other offices of Hutchinson & Bloodgood, LLP. Geri recognizes the challenges of practicing in the area of retirement plans, "you are not only dealing with General Accepted Accounting Principles, but you also deal with ERISA, the DOL, and the IRS."

When asked why she enjoyed retirement benefits work, Geri explained that she likes working with HR people. "The HR people that I work with are truly concerned about their employees and with helping their employees get through life situations." Geri recognizes that many HR people do not have an extensive background in retirement benefits and are often "thrown into" administering a retirement plan, and that's where Geri comes in to coordinate the plan audit and educate them on their administrative responsibilities.

Geri's role as a retirement plan auditor and retirement plan tax planner puts her in the flow of synergy of WP&BC and shows how all of the professionals at WP&BC work. You can easily imagine Geri as an integral part of the wheel of professionals that help retirement plans function properly (see the below diagram).



Geri explained that she likes being a member of WP&BC because of the awesome group of people who serve as “great resources” not only for her clients but also for her as a professional. “The people at WP&BC are always open to helping out, and available if I have questions.”

Geri is a native San Diegan, and stays close with her family who also live in San Diego. Geri comes from a family of CPAs: her son and father are also CPAs in San Diego.

Although her family love to go on hikes with Geri, her family will never have the leg up on retirement benefits!

Thank you Geri for being part of WP&BC, San Diego Chapter.

Simplified reporting for Canadian retirement plans

By: Charles Williams (Friedman Brannen LLP)

Effective for the 2014 tax year, U.S. citizens and residents with certain Canadian registered retirement savings plans (RRSPs) automatically qualify for deferral of U.S. tax on the income earned on their Canadian retirement accounts. (Rev. Proc. 2014-55.) Previously, in order to defer taxation taxpayers were required to file the Form 8891 reporting account activity including undistributed earnings and contributions. Under the new Revenue Procedure deferral of taxation is automatic as long as the Taxpayers file U.S. income tax returns and properly report any distributions.

This simplified procedure does not appear to apply to Canadian citizens and nonresidents. In addition, there may still be reporting required via FinCEN Form 114 and/or Form 8938. Furthermore, California continues to treat any undistributed earnings within the RRSP as taxable regardless of whether or not the Taxpayer made any distributions.

Overall, this simplified procedure should greatly streamline compliance efforts for U.S. residents, tax advisors, and retirement benefits professionals.

Employment Opportunities:

If you wish to post an employment opportunity on our website, please read the following note:

Listings must comply with applicable regulations for employment advertising. Online job postings are free to WP&BC San Diego Chapter members. Email all listings to info@wpbcSD.com

The Newsletter welcomes contributions from its members. If you would like to submit a topic benefit-related article or compile the regulatory update for an upcoming issue, please contact M'Lissa Groh at: Mlissa.k.groh@wellsfargo.com

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May 14th
Our last Seminar on Demand was an Evening of Ethics



Western Pension & Benefits Council, San Diego Chapter
Elected Board and Committee Members July 1, 2015 to June 30, 2016

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Lori Foresz, Membership—AKT Retirement Plan Services
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