



Plan Sponsor Newsletter

A 403(b)/457(b) Quarterly Newsletter from
U.S. OMNI & TSACG Compliance Services

WINTER 2023

Cafeteria Plan Providers

A question we often receive from prospective clients is “Should we consider using our Cafeteria Plan provider for 403(b)/457(b) compliance services?” Generally, our response centers on three key areas:

Focus – Companies will invest money and resources in the line of business that generates the most revenue. Generally, Cafeteria Plan providers generate much of their revenue through the sale of supplemental benefits and 403(b)/457(b) investments. These providers often use 403(b)/457(b) compliance services as a loss-leader, and their competing priorities can lead directly to a lack of focus and service quality. OMNI/TSACG does not sell products/investments of any kind and is singularly focused on 403(b)/457(b) compliance. Our firm has chosen to do one thing and do it very well.



Information Security – Compliance administrators are entrusted with a significant amount of Personally Identifiable Information (PII). Ensuring the protection of this information is of paramount importance to our firm. We neither share this information with other parties nor use it for any other purpose than to fulfill our responsibilities as the Administrator of the plan(s). Cafeteria Plan providers both selling investments and administering compliance in the same plans leads to inherent information security concerns and conflicts of interest.

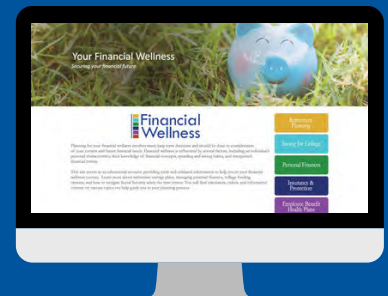
Access - The Meaningful Notice/Universal Availability provisions of IRS code require employers to notify their staff annually they have access to a 403(b) and/or 457(b) plan and to detail who is eligible to participate. The materials provided by our firm to help satisfy this requirement are designed to inform, educate, and influence plan participation. These materials have successfully passed IRS review in more than 80 audits over the past 5 years. Cafeteria Plan providers can utilize the information they have access to influence participation in the specific 403(b)/457(b) investments they offer. This structure can lead to employees believing the investments offered by the Cafeteria Plan provider have been endorsed by the employer.

The fact you are receiving this newsletter means you have made the wise decision to work with our firm. This decision will ensure you avoid the potential pitfalls of working with a compliance administrator whose #1 priority is not the compliant operation of your 403(b)/457(b) plan(s).

Free Financial Planning Tools for Employees

Your employees can learn more about retirement savings plans, managing personal finances, college funding options, and how to navigate Social Security when the time comes. Calculators, videos, and informative content on various topics can help guide your employees in their planning process.

To explore our Financial Wellness Center, go to: <https://usrbpfinancialwellness.com>



Plan Updates and Reminders

Maximum Allowable Contribution (MAC) Limits for 2024

OMNI/TSACG is committed to providing our clients with the most current 403(b), 457(b), and 401(k) Plan information as it is released by the IRS. The latest IRS information concerning MAC limits indicates that the normal limit increases by \$500 to \$23,000 for calendar year 2024.

MAC Limits for 2024

- The normal calendar year limit for 403(b), 457(b) and 401(k) plans will increase by \$500 to \$23,000 for 2024.
- The age-based additional amount (age 50 by 12/31/2024) remains unchanged at \$7,500 for 2024.
- Any other catch-up options that may be applicable to your Plan(s) remain unchanged.

Examples

All employees, regardless of age or years of service, may contribute up to \$23,000 to their 403(b), 457(b) or 401(k) account in 2024. (The limit is coordinated for 403(b) and 401(k) accounts. 457(b) accounts are not coordinated with other plans.)

Employees who will attain age 50 by 12/31/2024 may contribute an additional \$7,500 to 403(b), 457(b) and/or 401(k) accounts in 2024. (This limit is coordinated for 403(b) and 401(k) accounts.)

IRC §415 Limit

The overall employee and employer contribution limit for 401(a), 401(k) and 403(b) plans increases by \$3,000 to a total of \$69,000 effective January 1, 2024. This overall defined contribution limit is of special importance to those plan sponsors with Special Pay Plans that are designed to accommodate accumulated leave payments.

If you have any questions, please contact Plan Support at 1-877-544-6664.

403(b)/457(b) Employee Reminders

The beginning of a new school year is a great time for employers to remind all employees about the availability of the 403(b) and/or 457(b) plan.



Many Plan Sponsors use the back-to-school timeframe to remind staff of the general employee benefits that are available to them. Plan Sponsors can include basic 403(b) and/or 457(b) informational pieces, which can include the employer specific meaningful notice, plan newsletters, Plan Participation Guide, and more. OMNI/TSACG provides general and plan specific information on our website:

<https://www.omni403b.com>

Links to our website and plan educational pieces can also be posted on an employer Intranet page, where all benefit information is typically housed. This makes it easy for employees to access the information not only at the beginning of the school year but also throughout the year.



U.S. OMNI & TSACG Compliance Services | www.omni403b.com | 877-544-6664

