

Fourth Quarter 2019

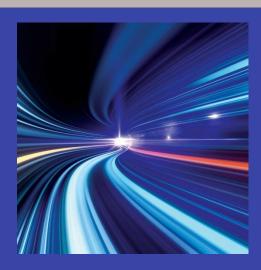
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## 2020 Retirement Plan Limits

Plan Limits	2020	2019
401 (k) Elective Deferral Limit	\$19,500	\$19,000
Catch-Up Contribution Limit	\$6,500	\$6,000
Annual Defined Contribution Limit	\$57,000	\$56,000
Annual Compensation Limit	\$285,000	\$280,000
Annual Defined Benefit Limit	\$230,000	\$225,000
Highly Compensated Employee Dollar Limit	\$130,000	\$125,000
Key Employee Dollar Limit	\$185,000	\$180,000
Related Limits		
403(b)/457 Elective Deferral Limit	\$19,500	\$19,000
SIMPLE Employee Deferral Limit	\$13,500	\$13,000
SIMPLE Catch-Up Deferral Limit	\$3,000	\$3,000
SEP Minimum Compensation Limit	\$600	\$600
SEP Annual Compensation Limit	\$285,000	\$280,000
Social Security Taxable Wage Base	\$137,700	\$132,900
Self-only HSA Contribution Limit	\$3,550	\$3,500

Family HSA Contribution Limit	\$7,100	\$7,000
HSA Catch-Up Contribution Limit	\$1,000	\$1,000
IRA Contribution Limit	\$6,000	\$6,000
IRA Catch-Up Contribution Limit	\$1,000	\$1,000



# Pentegra and ADP Launch Innovative 3(16) Fiduciary Solution

Pentegra recently announced a new enterprise partnership with ADP Retirement Services to offer 3(16) Fiduciary Solutions to complement ADP's retirement services. The new solution helps businesses of all sizes reduce administrative responsibilities, simplify retirement plan complexities and minimize risk. Among the first of its kind in the industry, the solution will provide ADP 401(k) clients with the ability to outsource key retirement plan administrative duties.

Said Pentegra President and CEO John Pinto, "Employers are fiduciaries, legally responsible for running their plan. Most plan mistakes involve administration — and these mistakes have very real, legal consequences. By combining our fiduciary solution with ADP's recordkeeping platform, we can make offering a retirement plan less burdensome for the business owner by transferring the responsibility to Pentegra. We feel strongly that no matter the plan size, whether \$1 million or \$50 million, we can help them reduce risk and provide better outcomes."

In addition to offering 3(16) services, Pentegra will provide an interactive tool, Retirement GuidePath<sup>TM</sup>, for advisors to engage with plan sponsors, coming later this fall. Designed by Blue Rush, a leading provider of interactive and personalized video solutions, Retirement GuidePath<sup>TM</sup> delivers a customized, personal video experience for every client, using a unique video-based platform that simplifies complex terminology and ensures immediate relevancy to drive better engagement across the customer journey.

Pinto added, "As an institutional fiduciary for more than 75 years, Pentegra is well-positioned to deliver these services at the platform level. We are excited about this opportunity to partner with ADP and the benefits that these innovative services will provide business owners as they embrace the concept of outsourcing fiduciary responsibilities."



## Tactics To Help Employees Achieve Retirement Success

#### Behavioral finance strategies improve the odds

Applying a few innovative moves in your 401(k) plan could result in increased retirement savings for your employees. That's because, when it comes to money, subconscious perceptions can torpedo a plan participant's success.

Applying behavioral finance principles may help employees overcome obstacles that often keep them from making rational financial decisions. Here are a few financial behaviors that could be sabotaging employee retirement savings, along with ideas from the International Foundation of Employee Benefit Plans (IFEBP) that may serve to counter them.

#### **Loss Aversion**

People tend to dislike loss more than they like gains. As an employer, you can capitalize on this tendency with the language you use to communicate about the plan. For example, "Would you rather pay yourself or the government?" or "Increase your retirement savings and cut your taxes," is much more effective than "Stop missing out on your retirement plan match." Although both communicate the same message, says the IFEBP, the former packs a more powerful punch.

### **Herd Mentality**

We all like to be included, and that means we look to others to figure out our next move. As you communicate about your 401(k) plan, take advantage of this tendency by discussing what others are doing with regard to saving. For example, say something like, "80% of ABC employees contributed to their retirement plan last year." Or get even more specific about the group you're targeting with this message: "Nine out of every ten new hires say "yes" to saving 15% of their pay for retirement." The IFEBP says that breaking down the message to specific groups — such as new hires, people over age 50, or those working at a specific location — can be most effective.

#### **Order for Advantage**

Faced with a long list of choices, most people hone in on entries at the top. Unless the list is particularly long, they may recall only the last few items. When providing a list, consider the order in which you include entries. For example, if you present a list of investment funds available in the plan, the tendency may be to list the choices from least risky to most risky. As a result, you may find the majority of participants select very conservative investments or, if the list is long, very aggressive ones because they only remember the last few funds on the list. Instead, consider reserving the top of the list for investments that are likely to be appropriate for most participants, such as target date or balanced funds.

There are many more principles of behavioral finance that may help in your 401(k) plan communication efforts. Find out more about the IFEBP's suggestions at <a href="https://tinyurl.com/IFEBP-Beh-Fin">https://tinyurl.com/IFEBP-Beh-Fin</a>.

## Pentegra is Committed to Community Service

Pentegra is a Corporate Champion and strategic impact partner and supporter of Volunteer New York. The mission of Volunteer New York is to inspire, mobilize and equip

individuals and groups to take positive action to address pressing challenges, support nonprofits, and strengthen the quality of life in our community. Through its partnership with Volunteer New York, Pentegra's employees have participated in meaningful community outreach efforts.

In 2019, Pentegra was awarded the Business Council of Westchester's Hall of Fame "Corporate Citizenship Award" in recognition of its community service to Westchester County. The recipients of the Hall of Fame Awards speak to the highest caliber of Westchester businesses and the overwhelming contributions they have made to the economic health and growth of this county. Click <a href="here">here</a> to view our Corporate Citizenship Award Video

Most recently Pentegra volunteers took part in the beautification of the farm at Access Equestrian in Mount Kisco, NY. Access Equestrian provides the therapeutic benefits of adaptive riding, horsemanship programs, and other equine assisted activities designed to improve the lives of individuals with disabilities and other life challenges.



## **Look For Us At These Upcoming Events**

November 14 New Jersey Bankers CFO Conference w/ FMS The Embassy Suites Berkeley Heights Berkeley Heights, NJ

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