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PLAN INSIGHT

Helping Plan Sponsors better understand and administer their retirement plans with AXA Equitable

REQUIRED MINIMUM DISTRIBUTIONS: ANNUAL REQUIREMENT IS A PLAN AND PARTICIPANT MANDATE

Each year, participants who are age 70 ½ and older in retirement plans are required to take at least a minimum distribution from their account by December 31. If you have any participants in your plan that are at, over, or are approaching age 70 ½ you should make them aware of this requirement and ensure they take the distribution.

To determine the required distribution amount, generally, you take the December 31 balance from the prior year and divide by the life expectancy for that participant based on an IRS uniform life expectancy table. For example, if a participant had their 72nd birthday in 2019 and an account balance on December 31, 2017 of \$256,000. The

2019 required minimum distribution would be \$10,000 (\$250,600 divided by 25.6 years (taken from the IRS life expectancy table)).

The program offers an automated minimum distribution service that participants can sign up for to make sure their minimum distribution is paid out on time each year. The penalties for non-compliance can be 50% of the amount that should have been distributed for the participant as well as plan qualification issues for the employer.

Age	Divisor	Age	Divisor	Age	Divisor
70	27.4	85	14.8	100	6.3
71	26.5	86	14.1	101	5.9
72	25.6	87	13.4	102	5.5
73	24.7	88	12.7	103	5.2
74	23.8	89	12	104	4.9
75	22.9	90	11.4	105	4.5
76	22	91	10.8	106	4.2
77	21.2	92	10.2	107	3.9
78	20.3	93	9.6	108	3.7
79	19.5	94	9.1	109	3.4
80	18.7	95	8.6	110	3.1
81	17.9	96	8.1	111	2.9
82	17.1	97	7.6	112	2.6
83	16.3	98	7.1	113	2.4
84	15.5	99	6.7	114	2.1
				115+	1.9

There are special rules for the first year when a participant attains age 70 ½. Please contact a Retirement Plan Account Manager for specifics on those rules or any other questions you may have related to required minimum distributions.

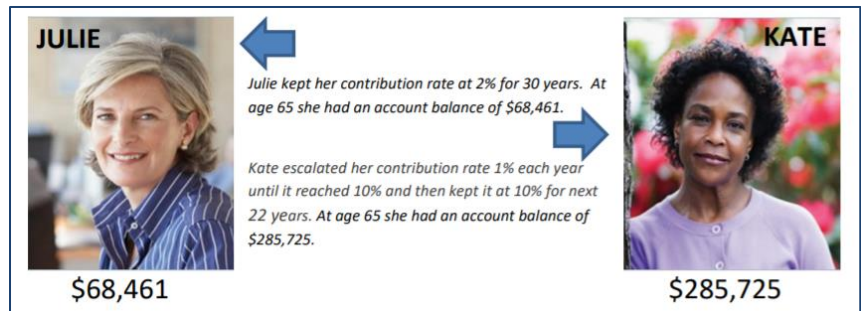
FOR YOUR PARTICIPANTS

SAVING FOR RETIREMENT

EVEN SMALL, REGULAR INCREASES IN YOUR PLAN CONTRIBUTIONS CAN MAKE A DIFFERENCE OVER TIME

There is a general rule that contributing 10% to 15% of your income gives you the best opportunity to help meet your retirement goal. That may seem like a lot, but one way to make that happen is to start at a savings rate of say 2% of pay and then just raise it 1%-2% a year until you reach your savings goal. You should continuously reevaluate your ability to continue saving in the event of a prolonged market decline, unexpected expenses, or an unforeseeable emergency.

Below is a hypothetical example of two friends, Julie and Kate, both of who worked in professional offices in town for 30 years. They both earned \$30,000 a year and received annual raises of 3% of their pay.



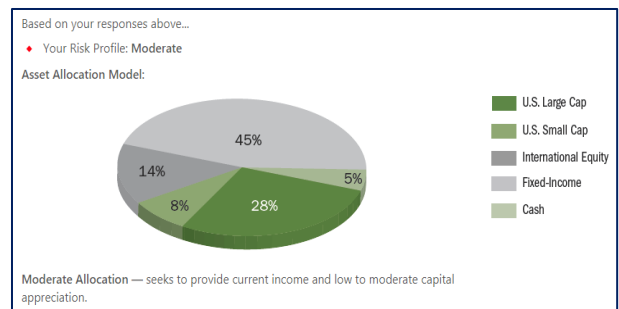
They both started participating in their 401(k) plans at age 35, contributing 2% of their pay into the plan. They both chose the same investments and earned 6% each year on their accounts. Julie kept her contributions at 2% for 30 years and at age 65 had an account balance of \$68,461. Kate escalated her contribution rate 1% a year until it reached 10% and then kept it at 10% for the next 22 years. At age 65 she had an account balance of \$285,725.

This example is hypothetical and does not represent the performance of any fund. Regular investing does not guarantee a profit or protect against a loss in a declining market. Initial tax savings on contributions and earnings are deferred until distribution. The assumed 6% rate of return is not guaranteed. Withdrawals from tax-deferred products are subject to normal income tax treatment and if taken prior to age 59 ½ may be subject to an additional 10% federal income tax penalty. Please keep in mind that rates of return will vary over time, particularly for long term investments. Investments offering the potential for higher rates of return also involve a higher degree of risk. This example does not take into account the effect of investment management fees, product-related fees, withdrawals, or taxes.

Asset Allocation Investment Questionnaire

An Asset Allocation Investor Questionnaire was added to the participant website earlier this year to assist participants in your plan with developing and maintaining an investment strategy for their retirement account.

The questionnaire has five investment-related questions that are used to make a high-level determination of a participant's risk tolerance and investing time horizon. Based on these responses a sample asset allocation model is displayed to assist the participant in determining their investment strategy.



compliance corner

SAFE HARBOR 401(K) ANNUAL NOTICE TO EMPLOYEES

5500 INFORMATION

Employers with a safe harbor 401(k) feature in their retirement plan must meet two requirements to be able to take advantage of the safe harbor 401(k) regulations. One, they must make a matching contribution of (at least 100% of the first 3% of contributions and 50% of the next 2%) or at least a 3% non-elective contribution, and two, they must provide an annual notice to eligible employees.

The notice must be given to eligible employees no more than 90 days or less than 30 days before the beginning of the following plan year. For calendar year plans that means no earlier than October 1 or later than December 1. A sample notice was provided to plan administrators via e-mail or regular mail, if an e-mail address has not been provided. It is also available on the program website on the Forms tab on the employer home page.

This notice, including the Salary Deferral Election form, must be distributed to your eligible employees. You must get a signed Salary Deferral Election form from each eligible employee as proof that the notice was provided to them in a timely manner.

More information on the implications of not distributing the Safe Harbor 401(k) notice can be found at <https://www.irs.gov/retirement-plans/fixing-common-plan-mistakes-failure-to-provide-a-safe-harbor-401k-plan-notice>.

MAKE SURE YOUR PLAN HAS A FIDELITY BOND

If any plan representative is considered to handle plan assets, then the Department of Labor (DOL) requires that the plan have a fidelity bond that covers at least 10% of plan assets. An exception exists for plans that cover only the owner or only owners in a partnership. A fidelity bond may be purchased from an insurance agent and helps protect the plan participants against fraud or dishonesty on the part of anyone handling the plan's assets. While there are no specific penalties for failing to meet ERISA's bonding requirements, there are substantial risks associated with not meeting ERISA's bonding requirements, including; failing to report a sufficient bond on the Form 5500 can trigger a plan audit; It's unlawful under ERISA regulations for plan officials not to be bonded; 401(k) fiduciaries can be held personally liable for losses that should have been covered by a fidelity bond.

Web Feature Spotlight



Online Contributions

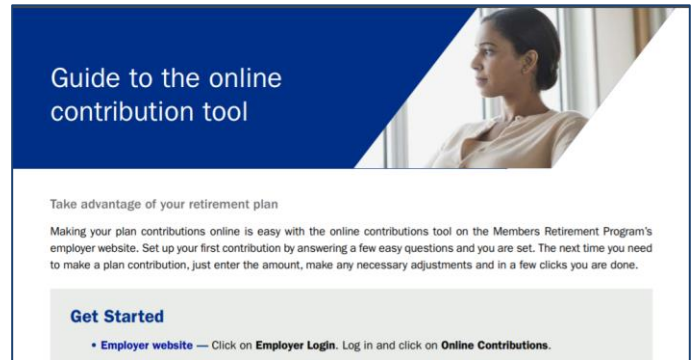
Still Remitting Contributions by Mail? Time to make the switch to online contributions. It is easy!

Visit the website to view the online contribution feature. It is easy to use with a quick set up process and then the ability to just copy prior transactions to minimize rekeying of

ongoing contribution amounts. For active 401(k) plans, completing paperwork, cutting and mailing a check is time consuming, more susceptible to human error and can delay the investing of the

contribution amounts.

In addition, there is a guide available on the site that will provide you with step-by-step instructions on how to easily remit your next online contribution. It will save you time, mailing expense and get contributions invested quicker. Download an ACH form from the employer website and provide us your banking information to get started.



PLAN ADMINISTRATION REPORTING

Plan Name: _____ As of 09/13/2019 Participant Search: _____ [Print](#)

Plan ID: _____ Plan Type: 401K

Participant Search: Search by last name or SSN [Go](#)

SUMMARY CALENDAR **ONLINE CONTRIBUTIONS** PARTICIPANTS LOANS PLAN ASSETS PLAN INFORMATION COMPLIANCE RESEARCH INVESTMENTS

Online Contribution Guide [Click here to download an ACH form.](#)

Manual Payroll | **CONTRIBUTION SETUP** [+ Show Filter](#) | [Print Table](#)

Batch Number	Payroll Date	Trade Date	Release Date	Batch Date	Roster Type	Status	Total Amount	Transaction Count	Payment Type	Actions
6459910	08/14/2019	08/20/2019	08/20/2019	08/20/2019	Manual	Confirmed	\$1,153.25	11	ACH	Actions
66447	08/05/2019	08/12/2019	08/12/2019	08/12/2019	Manual	Confirmed	\$6,000.00	1	Check	Actions

HEADLINES AND DEADLINES

- Annual Required Minimum Distributions for participants who attained age 70 ½ before 201 must be made by December 31, 2019. Participants who attained age 70 ½ in 2019 have until April 1, 2020 to take their first required minimum distribution.
- For calendar year plans – Annual Safe Harbor 401(k) Notices for the 2020 plan year must be distributed to eligible employees by December 1, 2019.

AXA Equitable believes that education is a key step for retirement plan participants toward addressing their financial goals, and we've designed this material to serve simply as an informational and educational resource for plan sponsors. Accordingly, this discussion does not offer or constitute investment advice and makes no direct or indirect recommendation of any particular product or of the appropriateness of any particular investment-related option. The needs, goals, and circumstances of plan participants and sponsors are unique, and they require the individualized attention of a financial professional.

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