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METRO NEWS – Report #77

December 17, 2010

To our clients and friends:

This is another in a series of newsletters designed to keep you clearly informed of current events in the area of employee benefit plans.

Happy Holidays!

We want to let you know how much we all enjoy working with you. We appreciate the opportunities that you provide us. We hope that you (and your employee benefit plans) have an enjoyable Holiday Season and a prosperous 2011! This MetroNews is our short, Christmas Card Edition!

Amendments on the way!

If you've behaved well during 2010, Santa will be delivering you a plan amendment for your 401(k), defined benefit, or cafeteria plan document. Look out for them in the mail (due 12/31/10) and let us know if you have any questions.

New IRS System for Sending in Withheld Taxes:

{Note: If you have a 401(k) plan on a modern "investment platform", then this section does not apply to you. If you send in the withheld taxes yourself, however, then please read on. }

Until now, when you pay out an employee and send in the taxes that are withheld, you remit those taxes to the IRS using a coupon ("8109-B") and a check. No more! Starting 1/1/11, the IRS will no longer accept these coupons. Instead, you will need to file these withheld taxes electronically. Let us know if we can assist you in setting up these new procedures. Keep in mind that these withheld taxes are usually due by the 15th day of the month following the payout, so be sure to leave yourself enough time to navigate these new rules.

One Piece of Good News for 2011:

Although today's newspaper reported a slight downward "blip", in general we are living longer than ever! If you had been born in 1900, you could have expected to live to the age of 46. By 1920, this had increased to age 54, and then age 61 by 1940. By 1970, the

life expectancy increased to age 70, and by 2008 it has now reached 75. (All these figures are for males; your results may vary.) According to my latest actuarial journal, this figure is expected to reach age 80 by the year 2050, so this at least gives us something to look forward to.

The other aspect of this is the (unfair) advantage in life expectancy that females have over males. This advantage was only 2.6 years as of 1900, grew to 7.8 years by 1975, and now is about 5.0 years. Let me know if you think you know why this is, or what we men can do to fix the problem. ☺

Metro E-mails are now Secure!

We now have the capability to send “secure”, encrypted e-mails to our clients when dealing with sensitive/confidential data. We will use this new technique when we send out our 12/31/10 year-end data requests. You will be required to “register” the first time, but after that, the system will remember you. Your reply will also be securely transmitted. Please also keep an eye out in your spam folders in case our e-mail gets stuck there by mistake.

Best Wishes, David M. Lipkin, F.S.A., Editor

Metro Benefits, Inc. is a regional consulting and administration firm, based in Pittsburgh, PA. We provide a wide range of services for employee benefit plans. While we make every effort to verify the accuracy of the information that we present here, you should consult with your Plan attorney or other advisor before acting upon it.