



FJC & ASSOCIATES, INC.

RETIREMENT PLAN DESIGN AND ADMINISTRATION

14 Church Hill Road-Suite B6
Newtown, Connecticut 06470
(203) 364-1092 Fax (203) 567-8004

December 30, 2011

Dear Plan Sponsor/Trustee:

Enclosed please find the forms which must be completed to update our records for the 2011 plan year. Please provide the following information:

1. Indicate percent of ownership, if applicable. (Please note family relationship to all owners).
2. Please note all company officers.
3. List gross W-2 compensation for all employees (**please make sure to add any Section 125 contributions if applicable**). (**Self Employed/Partnership income should reflect net income before any pension expense. Also, Partnerships should be reduced by Sect. 179 expense**).
4. List any severance compensation that will be paid to a terminated participant before March 15, 2012.
5. List Date of Termination (**please be sure to include compensation/hours worked through date of termination**).
6. Correct any information that is not accurate on the census request. (Spelling, DOB, DOH, SS#).
7. Input all new employees
8. Complete the Plan Information Sheet
9. Additional Important Information - Please read and retain in your files.

We will need this information to complete the year end discrimination testing. If there are any required corrections, they must be completed by March 15, 2012 to avoid a 10% excise tax. To have ample time to perform this testing we must receive the required information prior to February 17, 2012. You may submit copies of the W-2 forms for the compensation and contribution information. If this information is available on a spreadsheet, please submit on a diskette or e-mail to us. Note, there is a sample excel file that you can download from our website (www.fjcpensions.com).

If we do not receive copies of the plan asset statements directly from your investment company, please make sure to send us a copy of the December 31, 2011 statement(s) when available.

I have also enclosed a 1099-R Information Request Form. If the plan made any distributions including rollovers during calendar year 2011, a 1099-R must be filed with the IRS. Please complete a form for each distribution. Note; if you use an investment provider that issues the forms (i.e. John Hancock, The Hartford, AXA/Equitable, ING, Metlife, American Funds) you do not need to complete this form.

Lastly, please note that January 1, 2012 is an open-enrollment date for eligible employees to join the plan. Also, please be sure that all participants have current beneficiary election forms completed.

Thank you for your cooperation. If you have any questions, please contact our office. Have a happy and healthy New Year.

Sincerely,

FJC & Associates, Inc.

PLAN INFORMATION SHEET

PLAN NAME: _____

Instructions: Please complete and return with Employee Census.

INFORMATION VERIFICATION

1. Have you changed your Fiscal Year? YES ___ NO ___
If so, what is the correct Fiscal Year? _____.
2. Have you changed your internal structure? YES ___ NO ___
Sub Chapter S ___ Partnership ___ Sole Proprietorship ___
C Corp. ___ Other _____
If Yes please attach an explanation.
3. Please indicate the amount of the Erisa fidelity bond _____.

****Please note: It is required by the IRS and DOL that all plans with more than one participant other than a partner or spouse, retain a Fidelity Bond. The bond should cover at least 10% of the asset value of the plan. We can obtain coverage through Colonial Surety if needed. Please contact us if you need a quote.

4. Do any of the company share holders (together with their spouses or siblings) own more than 50% of another business? YES ___ NO ___

If so, please describe:

5. Please enter the amount of the tax deductible profit sharing and/or matching contribution (if any) that you are planning to make to your plan for the current tax year.

\$ _____ (if maximum is desired, please enter "MAXIMUM" to be calculated).

Signature

Date

1099-R INFORMATION REQUEST

1. Plan Name: _____

Participant Name: _____

Address: _____

Social Security No.: _____

2. Reason for payment: _____ Date of Birth: _____

- Termination of employment, including retirement
- Death (please provide beneficiary information)
- Disability
- Attainment of age 70-1/2 (required minimum distribution).
- Termination of Plan
- In-Service Withdrawal (Indicate: Hardship, Age 59-1/2)
- Loan Default

3. DATE OF DISTRIBUTION: _____

TOTAL DISTRIBUTION: _____

BREAKOUT OF GROSS DISTRIBUTION

Amount of check paid directly to Individual: _____

Amount of Federal Taxes Withheld: _____*

Amount of State Taxes Withheld: _____

Amount Transferred to IRA: _____

Amount Transferred to Another Qualified Plan: _____

* Indicate Identification Number used on deposit of Federal Taxes: _____

(Trust ID# or Corporate ID#)

4. We authorize FJC & Associates to prepare the 945 Form:

_____yes _____no

COMPLETING AND RETURNING THIS FORM TO OUR OFFICE IS AUTHORIZATION FOR OUR FIRM TO COMPLETE THE 1099-R AT AN ADDITIONAL CHARGE OF \$15.00 PER FORM.

SIGNATURE OF PLAN TRUSTEE

DATE

If you authorize us to complete these for you, complete the applicable items on the form and return it to this office **BY JANUARY 15, 2012**. The 1099s must be issued to the participants by January 31, 2012. Also, a Form 945 must be submitted to the IRS by January 31, 2012.

ADDITIONAL IMPORTANT INFORMATION

1. If you have received a notice from the DOL regarding a missing 5500 filing for previous years, please forward the notice to our office for processing. All filings must now be filed electronically.
2. The DOL has continued to state that there is a **major issue with the timing of 401(k) deposits**. If discovered on audit they will take a hard stance on late deposits and an extreme stance on missing deposits. They will charge interest and penalties to correct these late or missing payments. To avoid an issue with the DOL, all 401k and loan payments must be deposited to the investment company within seven business days of being withheld from the participants pay.
3. The 2012 Compensation limit is **\$250,000**. The 401k maximum contribution has increased to **\$17,000** plus **\$5,500** catch-up for anyone age 50 and older. Additional plan limits can be found in the download section of our website (www.fjcpensions.com).
4. Regularly used forms such as loan and termination applications can be downloaded from our website. This does not apply to companies that use their own forms such as Hancock, ING, Hartford, American Funds, etc.
5. Under the new regulations all plans with a vesting schedule must provide the employees vesting percentage on their statement. For clients that receive a quarterly statement directly from the investment company, we will provide the updated vesting information to them once we complete the 2011 valuation. The updated percentages will be reflected on the next quarterly statement. For clients that do not get statements from the investment company, we will include a statement with the vested percentage along with the valuation report.
6. In the past some clients have issued a 1099-MISC to FJC & Associates, Inc.. **Since we are an S Corporation you do not need to issue this form**. If needed, we can provide you with a W-9 form for your records.
7. In order to compete with the payroll companies who offer 401k services we have made an informal agreement with other payroll companies which gives us the option to submit contributions directly to the investment providers. If this is something you would be interested in, please contact us.
8. The IRS no longer accepts payment of the mandatory tax withholding for distributions paid to terminated employees by check. All payments must be submitted electronically. If you do not use an investment provider who submits the payments on your behalf, you will either have to transmit the payments yourself or request your payroll company to do so.
9. As a reminder all 401k contributions for sole proprietors and partners must be deposited by January 31st. If deposited after this date, the IRS could challenge the deduction upon audit.
10. If any employee over the age of 70 ½ terminated employment in 2011 they must receive a required minimum distribution by April 1, 2012. If you have anyone who is required to take a distribution, please let us know and we can calculate the amount.