

Payroll BRIEFS

VOLUME 27, NUMBER 2, FEBRUARY 2017

Checklist, February 2017

- ✓ **State Unemployment Rates:** Please submit to DMPS right away your 2017 SUI rates for all states in which you have employees.
- ✓ **State Withholding ID Numbers:** If you haven't provided these to DMPS yet, please do so as soon as possible.
- ✓ **Please also send ...** data on insurance payments for short- and long-term disabilities as they occur; this ensures that your payroll records remain up-to-date.

DOL's Fiduciary Rule on Investment Advice Deadline Coming Soon!

The Department of Labor's (DOL) new fiduciary rule is making headlines again. **Data Management Payroll Services** has you covered when it comes to compliance deadlines and the latest in payroll news.

On April 10, 2017, the final fiduciary rule is applicable for the DOL's clear definition of a fiduciary and advice or recommendations given by fiduciaries to be in the best interest of the client.

Retirement plans & IRA fiduciaries (financial advisors and broker-dealers) will now have to provide investment related advice that is in the best interest of the client, and disclose any conflicts of interest.

A "fiduciary" is defined by the DOL as "persons who provide investment advice or recommendations for a fee or other compensation with respect to assets of a plan or IRA as fiduciaries in a wider array of advice relationships."

IRAs are a lucrative business for financial advisors, broker-dealers, and financial institutions that retain and invest retirement funds. The new rule will protect participants and ensure advisors don't benefit from NOT acting in the investor's best interest.

Advisors, brokers and firms that **provide services and recommendations for a fee, for commission-**

based IRA brokerage accounts, are already subject to an Impartial Conduct Standard that requires best interest recommendations.

Full compliance is set for January 1, 2018.

Adhering to the new fiduciary rule means providing documentation that the advisors are acting in the best interest of the client, and must satisfy a Prohibited Transactions Exemption (PTE). The best PTE is a Best Interest Contract.

BEST INTEREST CONTRACT

The Best Interest Contract Exemption (BIC or BICE) is a legal contract between the person saving for retirement and the financial institution. The document must state that the advisor will act as fiduciary – in the investor's best interest, and also disclose any conflicts of interest.

GOOD NEWS

The new fiduciary rule should result in more disclosure about the fees and services associated with IRAs and retirement accounts, with lowered costs, and investment advice in clients' best interest.

If you pay flat fees or costs based on the percentage of assets the advisors manage, the relationship with your advisor or broker-dealer may only

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DOL's Fiduciary Rule...


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change slightly – only fee-based advisors are applicable to the new fiduciary rule.

Please remember that individual employees, benefits administrators, and payroll administrators who include general retirement savings advice when distributing plan documents, are not plan fiduciaries.

Be prepared! If an employer wants to provide employees investment advice under the new rule, they must designate a financial advisor, broker, or mutual fund rep as plan fiduciary.

For more information and details about the Final Fiduciary Rule click the link for the final rule.

At **Data Management Payroll Services**, we keep you updated! We make sure you never miss compliance deadlines. Check our complete list of payroll processing services, and make 2017 great with **DMPS** – call us today! 

Sources: www.dol.gov and the *DOL EBSA Federal Register Vol. 81, No. 68*
webapps.dol.gov/FederalRegister/PdfDisplay.aspx?DocId=28806.

All the Latest in Payroll Processing Services!

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- Unemployment Claims
- Vacation / Sick Accruals
- W-2 Electronic Filing
- Workers' Comp Reporting



Washington's Birthday

Monday, February 20, 2017

The U.S. Federal Reserve is closed on Monday, February 20th. The **DMPS** office is **OPEN**. However, please remember that if this date coincides with your regular payroll submission or delivery date, please call us in advance to make alternate arrangements.

DIRECT DEPOSIT & TAX FILING CLIENTS

You will need to process your payroll one day earlier if Monday, February 20th falls between the day you process payroll and your check payment date. Remember to allow three business days for direct deposits. Banks will re-open on Tuesday, February 21st. **NOTE:** You may wish to change your check payment date if it falls on Monday, February 20th as no direct deposit funds will be posted on this day.

Questions? Contact Us.



(248) 244-3293

Customer Service

8:30 am–5:00 pm EST M-F



(248) 244-3271

Fax



cs3293@dmpayroll.com

Don't Forget...

Daily payroll cut-off time is 3:00 pm EST.

Through Payroll Briefs, *Data Management Payroll Services* provides its clients with general information on legal developments related to payroll administration. If such developments appear relevant to your specific situation, you should discuss them with your professional advisor before taking any action.

