



November 17, 2011

It is hard to believe that Thanksgiving is almost here! It has been a very busy year for APS. First, we purchased new software to support our clients. PensionPro offers our clients a secure web portal via the APS website to transmit their employee census data. Everyone has heard stories of companies having confidential data stolen. We wanted to proactively find our clients a solution that gives them security and peace of mind in the transmission of their data.

Not only does this software give us a secure portal but also allows us to set up a verification process to help ensure the census data we receive is accurate. This verification process has over 100 different steps that our Account Managers will follow in order to assure that the valuation is correct. We are very excited about our new processes via PensionPro and hope that you will agree!

Secondly, we are in the process of obtaining our CEFEX (Centre for Fiduciary Excellence) certification. This certification is an independent recognition of a Record keeper or Administrator's conformity to all practices within the ASPPA (American Society of Pension Professionals and Actuaries) Standard of Practice. It provides assurance that a firm with this designation demonstrates an adherence to the ASPPA standards of excellence, and is positioned to serve fiduciaries such as Investment Advisors, Investment Managers and our clients.

This certification is similar to the Fi360 certification. The CEFEX certification process takes approximately 12 months to complete. Once the certification is obtained you must be re-certified annually. It is a very arduous process but we believe that it is an important process. Currently there is no required regulation of our industry; however, our firm believes that there should be some standards adhered to that clients and financial advisors can rely on.

This brings me to my next point, cost of service. Many times the criteria of choosing a Third Party Administrator (TPA) is based solely on cost which is the least effective reason to choose your TPA. Plan administration is extremely complicated and can be very expensive for your client if not done correctly.

I'd like to share some examples with you:

- Companies that stop their matching safe harbor contributions midyear and do not



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realize that the top-heavy test is now applicable. This means the employer could be required to provide a non-elective (3%) contribution which could end up costing more than the match safe harbor contribution.

- Companies stopping their non-elective (3%) safe harbor contribution midyear when actually no such provision is allowed.

We are committing our resources to our clients and advisors and it is our intent to provide the best service and value possible.

I welcome any comments or suggestions.

Until next time,

Cherie Beirau