NICHOLAS PENSION CONSULTANTS
Plan Design & Administration

ABOUT US

NPC is a third party pension administration firm. We specialize in quality plan administration and do not provide investments or insurance services. Our local consultants are strategically placed to service our clients throughout the western states.

Owners: Ken Roberts, Adam Zuro, Leonard Roberts, Patrick Collar, Warwick (Nick) Nicholas & Andy Wass

NPC NEWS

Thanks to the many Advisors and Accountants who have entrusted us with their clients, we administer approximately 4,000 retirement plans, representing over 50,000 participants. Our clients are supported by our team of 80 employees, all located within the United States, bringing hundreds of years of combined experience. For more information visit our NPC LinkedIn Page.

As consolidation continues among Third Party Administrators (TPAs), we proudly remain a privately held company. As a true TPA, we do not sell investments or insurance. We have developed a regional administration service model designed to deliver superior quality while keeping costs competitive. Each client is assigned both a local Consultant and a dedicated Administrator. In addition, our team includes multiple Actuaries, an ERISA attorney, and a 401(k) Audit CPA, enabling us to provide enhanced compliance assurance.

Continuing Education Seminars

Join us for our complimentary fall seminars for a plan design overview and regulatory update. An invitation is enclosed.

CE Continuing Education
Approved IRS Provider

Contact one of our Consultants for a private seminar. Recent meetings include:

- Financial Planning Association
- San Francisco Bar Association

AUTOMATE CENSUS DOWNLOADS WITH PAYROLL CONNECTORS

We have partnered with software 'connector' providers who offer secure connectivity to numerous payroll companies, allowing NPC to automatically download the annual census data after year-end. This automation will simplify the process for our clients, save them time, and reduce errors. For more information, reference our Payroll Connector Overview. Payroll Partners include the below:

ADP	Paychex	Paylocity
Gusto	Paycom	Quickbooks Online
Insperity	Paycor	*...and many more*

CALIFORNIA REQUIRES PLANS BY 12/31/25

California companies with 1 to 4 employees are required to implement a retirement plan by 12/31/25. The CalSavers registration deadline is the catalyst, but the state-run IRA program can be avoided with a 401(k) or other alternative plan design. This is a great opportunity to assist any of the estimated 400,000 companies that need to setup a plan by end of 2025. *(cont'd on reverse)*

New Deadlines for 12/31 Year-End Plans

Employers have until their tax filing deadline to establish PS & DB Plans. Below is a chart summarizing the deadlines:

10/01/25 - startup 401(k) Safe Harbor Plan for 2025
12/01/25 - add Safe Harbor 3% PS to existing 401(k) for 2025
12/01/25 - add Safe Harbor Match to existing 401(k) for 2026
12/31/25 - startup 401(k) for 2025
3/15/26* - startup PS or DB for 2025 (S-Corp & LLP)
4/15/26* - startup PS or DB for 2025 (C-Corp)
4/15/26* - startup PS 401(k) or DB for 2025 (Owner-Only Sole Prop)

**plus extensions*

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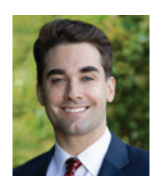

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continued... **CALIFORNIA REQUIRES PLANS**

There is now a small window of time for employers to evaluate alternative plan options. For details, please see our CalSavers Overview. The example below compares CalSavers vs. 401(k) Profit Sharing vs. DB/DC Combo plans. These alternate designs allow employers to contribute much more, and tax credits may cover the costs.

Participants	CalSavers	401(k) PS	DB/DC Combo
Owner $100,000	$8k	$77.5k	$327k
Employee $50,000	*(0–7k) – IRA*	$2.5k - PS *(0–23.5k) – 401k*	$7k - DB *(0–23.5k) – 401k*
Total ER Cost	**$8k**	**$80k**	**$334k**

Assumes owner age 57 and employee age 30

DB TAKEOVERS - COMPLIANCE REVIEW

NPC considers a takeover Defined Benefit (DB) Plan to be the perfect time for a proactive, internal compliance review. If the plan has compliance issues, there are IRS amnesty programs and other correction options, which are not available once a plan is selected for an IRS or DOL audit. The IRS wants trustees to preemptively correct compliance issues.

403(B) RESTATEMENTS REQUIRED

The IRS is requiring all pre-approved 403(b) plans to be restated using a new Cycle 2 document by December 31, 2026. This is a great opportunity to evaluate your existing TPA; and also review your client's existing or prospective 403(b) document design and incorporate any changes into this restatement.

SUPER CATCHUP & REQUIRED ROTH

Beginning with the 2025 taxable year, an additional 401(k) catchup becomes available for participants age 60-63 equaling 150% of the current year catch-up limit ($11,250 for 2025).

Beginning in 2026, all catch-up contributions must be Roth for participants whose FICA wages exceeded $145,000 in the previous year. *Ensure your TPA is handling any necessary amendments.*

95% OF TAX CREDITS UNUSED

The Bureau of Economic Research recently reported that only 5.5% of Startup Business Tax Credits for retirement plans are being used. Startup Tax Credits offer up to 100% of fees for first 3 years of establishing a new plan, and up to $1,000 per employee (phasing out over 5 years). To illustrate the impact, a 20 person startup company could be leaving over $80,000 in tax credits on the table. For more information see our Tax Credit Overview.

TOP RETIREMENT PLAN DESIGNS

DB/DC Combination Plans (Cash Balance)

DB/DC Combination plans often allow older owners to contribute over $300,000 for themselves, while typically requiring a 7-10% contribution for employees. See example below.

	Age	Compensation	DB/DC Combo
Owner	57	$200,000	$300,000
Employee	25	$50,000	$3,500

Owner-Only DB plans allow for much higher contributions than Owner-Only 401(k)s and SEPs. While these plans have an employer contribution max of $70,000, DB contributions can exceed $300,000. With the addition of a spouse, the contribution can effectively double. Owner-Only 401(k)s can also be combined with DB plans, allowing for additional contributions.

Mega Backdoor Roth is a popular term for capitalizing on the use of VATCs (Voluntary After-Tax Contributions) followed by a Roth conversion. This works best with Owner-Only 401(k) and DB plans. The benefit is significantly higher contributions since the typical 415 limits do not apply to VATC. Example:

	401(k)	25% Profit Sharing	VATC	Total
Owner $100,000	$23,500	$25,000	$21,500	**$70,000**

HOW TPAs ASSIST ADVISORS & CPAs

NPC Consultants focus on building long-term, trusted relationships with Advisors and Accountants, serving as their ongoing expert resource in retirement plan design and compliance. Our Consultants are available to discuss current plan issues and prospective opportunities. In addition, they are available for group presentations and one-on-one training meetings.

TOP INVESTMENT PROVIDERS

Numerous national investment companies have chosen to include Nicholas Pension Consultants on their preferred list of service providers. We can work with any investment company. Examples include: **American Funds, ADP, Ascensus, Charles Schwab, Empower, Fidelity, John Hancock, Lincoln, Nationwide, Principal, T. Rowe Price, Transamerica, The Standard, Vanguard, Vestwell, & Voya.**

NEWSLETTER SUBSCRIPTION: To be added or deleted from our email list, please send a request to seminars@nicholaspension.com.

The information contained herein should not be acted upon without professional advice.