

**1) Congratulations to Dave on becoming an ERPA!**

My associate, Dave Lewis, has passed the test and is now, like me, an "ERPA" - Enrolled Retirement Plan Agent. For anyone who doesn't know, this is a relatively new designation created by the IRS specifically for those of us who specialize in retirement plan services, and allows us to communicate with the IRS more effectively on your behalf.

**2) The importance of updating beneficiary designations**

A plan beneficiary designation is typically the controlling factor in how plan benefits are distributed upon death. So, a plan beneficiary designation trumps other documents, including a divorce decree. A 2009 court case, *Kennedy v. Dupont*, brings this point home:

In happier times, William Kennedy named his then-wife Liv as his plan beneficiary. Later, they were divorced, and their divorce decree stated that Liv was divested of proceeds from William's retirement plan - but William did not update his plan beneficiary designation. William died in 2001, and his daughter asked that his employer, Dupont, pay the proceeds to his estate, based on the text in the divorce decree. Dupont followed the beneficiary designation on file and paid the (ex)wife; the estate sued - and lost. *The old and probably undesired beneficiary designation controlled!*

A "life change" is a good time to check your plan beneficiary designation, and a periodic review isn't a bad idea either. (Notes: A plan designation isn't always written - if you don't sign a paper designation, the plan will typically provide default designations starting with a spouse, if applicable, then children. Also, if you are married, your spouse *must* (almost always) be your beneficiary, unless your spouse waives that in writing, so a written designation naming someone else without spousal consent is invalid.)

**3) More on e-filing**

We noted in our last newsletter that electronic filing of the Form 5500 series is mandatory, starting with 2009 plan year returns filed in 2010. There's not much new to report, other than the fact that it is becoming clearer that this will be a nuisance, but we do know that at some point we'll need your e-mail address to process the return. So, if we do not have an e-mail address on file for you, we have enclosed a form to complete and return with that information - or, you can simply e-mail my assistant, Pat, at [mrp.pat@verizon.net](mailto:mrp.pat@verizon.net). (If we didn't include a form but you think we might not have your e-mail address or otherwise want to confirm it, feel free to e-mail Pat.)

Thanks! Look for another newsletter in the next month or so with updated plan limits and other year-end information.

Ed Snyder

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