



# The DATAIR News

News for the DATAIR Pension and Benefits Professional

S U M M E R

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## From the Top

by Aaron Venouziou

**M**y thanks to those of you who attended the 1997 User Group meetings in Dallas, Atlanta, Baltimore, and Costa Mesa. You've given us valuable insights into the new WINDOWS systems, Client Manager and DATAIRVoice, and suggestions for improving the DOS-based systems.

You've thought of ways that the client manager and voice response products will enhance your practice. When you share those ideas with us, you keep us on track, developing the tools you need.

If you missed the earlier meetings, please join us for User Group meetings in:

- July in Seattle,
- Westmont in September, or
- Washington DC in November.

We want all of you to have the opportunity to see and comment on the new systems. This is your chance, too, to give us suggestions on any aspect of our relationship with you.

We are also planning to take the full schedule of system training "on the road" to:

- Albany in August and
- Las Vegas in September.

While we've designed these sessions for less-experienced users than the User Group Meetings, they will include abbreviated new systems demonstrations and feedback sessions.

Please watch for our FAXes and mailings for updates on our progress and meeting plans. We hope to see you at one of our meetings this summer and fall, to share more good news on our products and services, in person.



## DATAIR Profile

by Laurie Brophy

**T**om Powers is the latest talent to grace DATAIR as a sales and marketing representative.

A former manager and senior benefits consultant for Altschuler, Melvoin and Glasser, LLP (a Chicago CPA firm and a current DATAIR user), Tom made the transition this past March from DATAIR user to DATAIR employee rather effortlessly.

Tom is no newcomer to the retirement industry. He has been involved with the design, administration and communication of employee benefit plans for the past 15 years, and yet he brings a rather diverse background to DATAIR.

Among his series of career excursions has been programming, technical writing and teaching (Stateville Penitentiary in Crest Hill, IL)—all of which helped to develop his consultative sales philosophy, "to help our customers find cost-effective solutions tailored to meet their specific needs."

On a more personal note, Tom shares his life with his unabashed Cobol, mainframe programmer wife, Gail, and their two sons, Chris (17) and Sean (10). When Tom isn't running off to work, he's making a dash for the nearest marathon finish line. After competing in the Chicago, Los Angeles and New York marathons, Tom has set his sights on Boston!

What's notable about working at DATAIR, Tom? "The energetic and highly creative people, who instead of saying 'if it ain't broken...', say 'how can we make it better?'"

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## Etiquette

by Gary Saake

For the best service when communicating with us via email, please put your full name, company name and your phone number in the message. E-Mail addresses rarely give us a clue as to who you are. Our support policies and our support incident tracking system require that we know who you are.

Unless you are dealing with a particular support person on a specific problem, please address all new requests for support to the generic "support@datair.com", or the specific system, i.e.: "dc.support@datair.com". E-Mail sent directly to individuals about new issues may result in a delayed response to you.

## ALERT! Regional Sponsors of DATAIR Prototypes

When DATAIR adopts a Model Amendment, **you**, as a Regional Sponsor, must file **FORM 8837** with the Internal Revenue Service in order to adopt **any** Model Amendments for your prototype plans.

At this time, Retirement Plan Documents System does not contain Form 8837. The form can be obtained directly from the IRS by modem, the Internet or by calling 1-800-TAX-FORM. Additional information on ordering this form can be found in Announcement 96-113.

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**DATAIR Employee Benefit Systems, Inc.**  
735 North Cass Avenue  
Westmont, Illinois 60559-1100  
(630) 325-2600 Fax (630) 325-2660  
E-mail: info@datair.com  
http://www.datair.com

**The DATAIR News** strives to provide our customers with valuable and enjoyable information about DATAIR software, services and the pension industry. Reader contributions are welcome.

## Look Who's Talking Now...DATAIRVoice

by Tom Powers



**D**ATAIR announces the debut of **DATAIR Voice**: a self-contained telephone response solution for users of DATAIR's administrative systems.

DATAIRVoice gives plan participants vital account balance and claims information easily, accurately and instantly. DATAIRVoice relieves administrators of costly and time-consuming phone duty while giving employees round-the-clock access to Cafeteria and Retirement plan information.

DATAIRVoice will smoothly integrate with DATAIR's existing Defined Contribution/401(k) Administration (**DC/401(k)**) and FlexPlus Cafeteria Plan systems but will become even more powerful with DATAIR's next generation of Windows-based software. We plan to have DATAIRVoice ready for shipping to customers this July. Our initial release will support the FlexPlus Cafeteria Administration system. Later this year, DATAIRVoice will link with the DC/401(k) system as well.

DATAIRVoice safeguards privacy by requiring each participant to enter a Social Security Number and Personal Identification Number (PIN) before access to account information is granted.

DATAIRVoice has been designed to simplify voice response administration while providing important flexibility. All voice clips have been pre-recorded. With a click of the mouse, the plan administrator can choose the type and order of information to be presented to plan participants. For example, a Cafeteria plan participant may be given some or all of the following choices:

- ☎ Current medical account balance, amount remaining for claims and annual election.
- ☎ Status (requested, approved, denied or paid) of the most recent medical claims.
- ☎ Current, annual and year-to-date contributions.
- ☎ Dependent care account and claim information.

Each claim is identified by a date and dollar amount; paid claims are further identified by check number.

DATAIRVoice monitors, logs and provides the administrator with on-demand reports of participant access. The system may be "refreshed" with files from the FlexPlus or DC/401(k) systems at the administrator's convenience through a batch scheduler which can be set to run by itself at night.

DATAIRVoice gives DATAIR customers a real competitive edge compared to similar systems:

- ☎ DATAIRVoice costs thousands of dollars less than competitors' systems.
- ☎ DATAIRVoice costs thousands of dollars less than human staff providing the same information.
- ☎ DATAIRVoice is easy to setup and easy to run.
- ☎ DATAIRVoice provides everything you need in one convenient package: PC, monitor, voice boards, and all DATAIRVoice software. Just plug it in and you have voice response 24 hours a day!

Now you have the power to compete!

## Useful interest rates for the recent 14 months.

	(1) 30 Year Trea- sury Rates	(2) For Interest PBGC Variable Premiums	(3) PBGC Immediate Annuity Rates with	(4) Interest for Current Liability			(5) RPA 1994 Max. Rate	(6) Interest for Late Quarterly Contribu- tions	(7) Interest for Accumulat- ing Employee Contribu- tions
				DATAIR's CODE	90% (MIN)	MID POINT			
May '97			5.00 (6)					12.15	7.55
Apr '97	7.09	5.54	4.75 (5)	6.18	6.87	7.56	7.35	11.49	7.82
Mar '97	6.93	5.35	5.00 (6)	6.18	6.87	7.56	7.35	11.37	7.72
Feb '97	6.69	5.46	4.75 (5)	6.19	6.88	7.57	7.36	11.29	7.68
Jan '97	6.83	5.24	4.50 (4)	6.19	6.88	7.57	7.36	10.80	7.34
Dec '96	6.55	5.18	4.75 (5)	6.20	6.89	7.58	7.44	11.17	7.59
Nov '96	6.48	5.45	5.00 (6)	6.22	6.91	7.60	7.46	11.68	7.94
Oct '96	6.81	5.62	5.25 (7)	6.22	6.91	7.61	7.47	11.90	8.09
Sept 96	7.03	5.47	5.25 (7)	6.22	6.91	7.60	7.46	11.76	7.99
Aug '96	6.84	5.62	5.25 (7)	6.22	6.92	7.61	7.47	12.13	8.24
July '96	7.03	5.65	5.00 (6)	6.23	6.92	7.61	7.47	11.94	8.12
June 96	7.06	5.54	5.00 (6)	6.23	6.92	7.61	7.48	11.66	7.93
May '96	6.93	5.43	5.00 (6)	6.24	6.93	7.63	7.49	11.26	7.65
Apr '96	6.79	5.28	4.75 (5)	6.26	6.95	7.65	7.51	10.31	7.08
Mar '96	6.60	4.99	4.25 (3)	6.28	6.98	7.67	7.53	9.64	6.56

Column (1) is the interest rate to be used for 415/417(e) purposes.

Column (2) is the interest rate to be used in calculating the present value of vested benefits. This amount is needed to determine the PBGC variable premium.

Column (3) is the rate set to be used in plan terminations.

Column (4) is the range for OBRA '87 current liability purposes.

Column (5) is 108% of midpoint for 1996, 107% for 1997.

Column (6) is the interest rate to be used in calculating late charges for missed quarterly contributions.

Column (7) is interest rate used for accumulating employee contributions in Defined Benefit Plans.

**For current 30 year Treasury rates, see: <http://www.bog.frb.fed.us/releases/h15/current/>**

## Frequently Asked Questions



**R**emember...when you call our office, first tell the operator which system you have a question on, e.g. Defined Contribution, Defined Benefit, etc., then indicate if the question is with importing, printing, installation, etc. By doing so, you will help us to assist you more efficiently by routing your call to the appropriate support person. Thank you for your cooperation.

### DEFINED CONTRIBUTION (PENSION) SYSTEM

**Q.** How do I change election percentages?

**“ The system will create the transfers...that are necessary so that the balances are rearranged as indicated with**

**A.** In self directed 401(k) plans it is common for the participants to have the option of changing their election percentages periodically. This election change can include a redirection among investments of EXISTING BALANCES and a redirection of investments for any FUTURE CONTRIBUTIONS. Often these election changes are not the same. For example, The Employer offers investment options of a Growth Fund, a Bond Fund, an Aggressive Stock Fund, and a Money Market. The employee can change her EXISTING BALANCE from 100% in the Growth Fund to 50% in the Growth Fund and 50% in the Bond Fund. However, the employee may want all FUTURE CONTRIBUTIONS to go to the Aggressive Stock Fund (100%). The following paragraphs outline how to handle this in the Pension System.

We will assume that the Short Valuation Frequency is Monthly (i.e. the administrator is receiving contributions and compensation monthly) and the Long Valuation Frequency is Quarterly (reports and earnings allocations are done quarterly). We will assume that the changes discussed above will be

effective July 1. The steps to accomplish this are as follows:

1. Set up a one day valuation by changing the Short Period End Date from 7/31/96 to 7/2/97. (The begin date should be 7/1/97.)
2. Input the election percentages for EXISTING BALANCES into the Employee Account Information Screen in the field labeled Election Percent. For example, go into the Growth Fund and type in 50% for the Election Percent. For the Bond Fund, complete the same procedure.
3. Go to the Employee level Screen 32 and input the code( since we are completing a one day valuation the code used (1 or 2) is not significant) for the field labeled Rearrange Account Balances next to the source type (i.e. ER = employer type of accounts) that should be rearranged. The system will create the transfers (there may be several) that are necessary so that the balances are rearranged as indicated with the code used on screen 32 and the election percentages entered into the employee account information screens. Run Calculations and print off reports.
4. Update. The short period should now be from 7/2/97 to 7/31/97. The beginning balances for this period will be the balance after the transfers of EXISTING BALANCES in step 3 have been performed.
5. Enter the election percentages that FUTURE CONTRIBUTIONS should be split according to into the employee account information screens in the field labeled Election Percent. Proceed with the July monthly processing.

**NOTE:** If the election percentages for EXISTING BALANCES and the election percentages for FUTURE CONTRIBUTIONS are the same, the above procedure can be accomplished up to step three (without updating). However, in this situation the code used in Rearrange Account Balances becomes significant.



## Custom Programming

by Gary R. Saake

**A**re you in need of a custom Report Writer RPT file or Data Import DIS file?

While many of our clients have mastered the creation of DIS (Data Import) and RPT (Report Writer) files, we recognize that some of you may require more than simple telephone/fax assistance in creating these custom files. In those cases, our technical support group can provide you with custom programming services on a per-hour basis.

If you'd like us to write a custom report or data import specification file for you, here are some helpful tips...

- ☞ Don't wait until the last minute! While we try to complete these as quickly as possible, we often have to acquire additional information from you, or from the company that created the data. Sometimes this may take days or weeks to get. You'll also want time to do a 'dry run' to make sure everything works as you expected it to (and time for us to correct it if it doesn't).
- ☞ We do not accept rush jobs. Programming projects are completed in the order we receive them. During busy periods, there may be an extended delay in getting to your request.
- ☞ Provide us with as much information as possible. The less-specific you are, the more work we have to do in tracking down the details. This translates into higher costs, longer completion times, and less chance you'll get exactly what you wanted.
- ☞ Our fee, at the time of this writing, is \$75.00 per hour with a minimum of 1 hour.

The process...

- ☞ In writing, itemize exactly what you want. If you are looking for a custom report format, use a word pro-

cessor or typewriter to prepare a mock-up of what it should look like. Detail all the data you want to be shown on the report. An alternative is to use a standard report and identify changes which you'd like made. If you are looking for a DIS file, provide sample data, record layouts along with any codes used, and a list of items you want imported. In both cases, providing us with one or more plans that will be used with this DIS or RPT file are a **must**.

☞ Send the information to the attention of Technical Support. Within a week of receiving it, they will contact

you to request additional information that will be needed and/or give you an estimate of the cost, and tell you when we expect to be able to complete it. A confirmation will be sent to you via fax which will include a tracking number for this project.

- ☞ After you approve the cost/time estimate, your request will be placed in line for completion. Be sure to get any additional information requested to us as soon as possible... we will not begin your project until we have all of the necessary information.
- ☞ When we complete the project we'll send you the RPT or DIS file along with any special instructions to you. Please review it promptly and note any deficiencies.
- ☞ You'll receive a bill for services rendered on the statement following the date we send the DIS/RPT file to you. We will not exceed 125% of the estimated cost, and will bill you for less time if the project is completed quicker than our estimate.

By following these tips, we'll be able to quickly and efficiently complete your project for minimal cost. For more information, contact our Technical Support group.

**...our technical support group can provide you with custom programming services on a per-hour basis.**

## A Rose is a Rose?

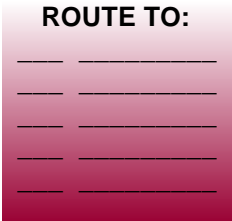
**Q** I'm confused by all the new versions of Pentium Processors.

**A** We are too. Here's a brief rundown...

☞ Pentium: This is the original Pentium processor which comes in speeds to 60 to 166MHZ.

- ☞ Pentium Pro: This is Intel's higher-end Processor which works great for Windows NT. Speeds from 150 to 200MHZ.
- ☞ Pentium MMX: Intel added Multimedia Extensions to the Pentium processor which makes for great multimedia (sound and video) performance. General performance is also about 10% better than a standard Pentium. Speeds from 150 to 233MHZ.
- ☞ Pentium II: Multimedia Extensions added to the Pentium Pro processor. Speeds from 200 to 266MHZ now. Speeds of 300MHZ and higher soon.

 **DATAIR Employee Benefit Systems, Inc.**  
**735 North Cass Avenue**  
**Westmont, IL 60559-1100**  
 (630) 325-2600 Fax (630) 325-2660  
<http://www.datair.com>



## 1997 Westmont Systems Training & Seminar Schedule

-  September 8-12
-  November 10-14
-  December 8-12

## User Group Meetings

**Western User Group Meeting**  
 July 16-17 · Seattle, WA

**Westmont User Group Meeting**  
 September 8 · Westmont, IL

## Regional Training Sessions

Please join us in Albany or Las Vegas for systems training: Defined Contribution, Data Handling (Import/Export/Report Writer, Data Entry), Retirement Plan Documents, Cafeteria, and pension seminars: Pension Basics and 'Current Events'.



Albany, New York  
 August 5-8, 1997



Las Vegas, Nevada  
 September 16-19, 1997

*(Watch your mail for details or contact our Training Department)*

## Current Software Versions



PE Pension Administration .....	3.02	PA Plan Accountant .....	2.02
PR Pension Reporter .....	4.54	QP Qualified Plan Distribution .....	1.40b
RD Retirement Plan Doc .....	1.36	FA FAS 87 Reporting.....	1.13
CA Cafeteria Administration .....	4.42	PT Participant Term. Calc .....	1.40
CD Cafeteria Plan Document.....	1.21	DE Data Entry & Review.....	1.12a

# Special Insert

## Can It Be SIMPLE?



It actually can be pretty tough these days sorting out the facts. The chart below is a quick reference guide illustrating the major differences between the SIMPLE IRA, SIMPLE 401(k) and “ordinary” 401(k) plan.

Release 1.36 of the Retirement Document System (RDS) included a SIMPLE Model Amendment to add SIMPLE provisions to an “ordinary” 401(k) plan. You have until July 1, 1997, to execute the Model Amendment for a SIMPLE 401(k) Plan effective January 1, 1997.

	<b>SIMPLE IRA</b>	<b>SIMPLE 401(k)</b>	<b>“Ordinary” Non-SIMPLE 401(k) Plan</b>
# of employees	100 or fewer (\$5,000 in pay), 2 year transition in preceding year	100 or fewer (\$5,000 in pay), 2 year transition	No limit
other retirement plans	None (frozen DC exceptions)	None (frozen DC exceptions)	Yes
plan year*	calendar year	calendar year	any 12-month period
required employer contribution	<ul style="list-style-type: none"> <li>• Match (100% up to 3%, in at least 3 out of 5 years, no less than 1% in no more than 2 of 5 years) or</li> <li>• Non-elective of 2% of pay (\$5,000 minimum pay)</li> <li>• No other contributions permitted</li> </ul>	<ul style="list-style-type: none"> <li>• Match (100% up to 3) or</li> <li>• Non-elective of 2% of pay (\$5,000 minimum pay)</li> <li>• No other contributions permitted</li> </ul>	<ul style="list-style-type: none"> <li>• Discretionary match and/or non-elective contributions, subject to Top Heavy minimum</li> <li>• Non-elective may take into consideration permitted disparity</li> <li>• Age-weighted and other formulas not permitted under Prototype</li> </ul>
participation requirements	None, except for \$5,000** pay rule	No later than attainment of age 21 & 1 year of service	No later than attainment of age 21 & 1 year of service for elective, can have up to 2 year wait for employer contribution portion
annual elective deferral limit	\$6,000, indexed	\$6,000, indexed	IRC 402(g) limit, \$9,500 for 1997
vesting schedules	100% immediate	100% immediate	Up 7-year graded schedule. 100% immediate required if 2-year wait
Top Heavy requirements (total accounts for Key employees make up more than 60% of the total)	none	none	3% (or lesser %) minimum contribution and accelerated vesting
maximum annual contribution or addition	\$6,000 plus 3% of pay match (\$12,000 (\$6,000 deferral plus \$6,000 match), if pay is \$200,000 or more)	\$6,000 plus up to \$4,800 in match (pay is \$160,000 or more), but subject to non-simple 401(k) limits, too	The lesser of \$30,000 or 25% of pay. Deductibility limitation of 15% of total Compensation
Compensation	not limited for Match, limited to \$150,000 (indexed) for non-elective	Limited to \$150,000 (indexed) \$160,000 for 1997	Limited to \$150,000 (indexed) \$160,000 for 1997
ADP, ACP testing	none	none	Required. Effective with '97 Plan Year, HCE definition is simplified
Rollover	IRAs, SEPS or other SIMPLE retirement account (but not a qualified plan)	other qualified plans and IRAs	other qualified plans and IRAs
notification rules	60-day notice	60-day notice if using non-elective safe harbor	none
Reporting & Disclosure	Form 5500 is not required	Form 5500 C/R required	Form 5500 (or C/R) required

\*Must execute by 7/1/97 in order to retroactively convert an existing Qualified plan into a SIMPLE plan as of 1/1/97. Must execute by October 1 of any year for new SIMPLE plans.

(Simple IRAs have a special rule for employers coming into existence during the first Plan Year.)

\*\*Employers who earned \$5,000 or more in any 2 prior years and are reasonably expected to earn at least \$5,000 in the current