



PENSION & BENEFITS QUARTERLY

President's Letter



Welcome to Fall 2013! This is the kick-off of our programming year for the San Francisco Chapter of the WP&BC. As head of our leadership team, we're committed to bringing you renewed opportunities for engaged education, networking with friends and colleagues, and making new acquaintances.

Chapter Programs

Our San Francisco programming begins on **Wednesday October 2nd** at the Palace Hotel. In "General Counsel Perspectives," a panel of Fortune 100 general counsels will address the hot button issues of the day. Please join us for an insightful discussion of the tough employee benefits issues they face.

At this meeting, we will honor the 20+ year members of our Chapter. This starts with our most seasoned member, who joined us in 1969, and extends to 29 individuals with a combined 812 years of membership! It also includes no less than five former Chapter Presidents. Please join us in celebrating their service on October 2nd.

Our Silicon Valley Fall Conference was held September 18th and our speakers addressed Retirement Readiness, employee handbooks and accompanying legal issues, and healthcare reform with a focus on current employer strategies. We also received a legal update on DOMA and other court and regulatory actions. Our next half-day Silicon Valley Conference will be in March 2014 – please join us!

New Administrator

We are pleased to welcome **Jenifer McDonald** and her team as our new Chapter administrator. This spring the Board of Directors initiated a study of our administrative needs and the market for services. In late summer, the Board engaged Jenifer's firm.

Jenifer has assumed administrative duties effective this September. A smooth transition is in process. Jenifer and her service team are profiled on page 3, and you can find her contact information on page 11.

The WP&BC Board, and Jill Kleiner and I in particular, wish to thank **Michael LoBue** of LoBue & Majdalany for his firm's service and help to us and the whole Chapter. Michael assumed Executive Director services in January 2008 and has administered our chapter ably ever since. We also appreciate all the hard work and care provided by Dina Tassell, Marcia Molina, and Mike Briones. Thank you!

Leadership Team

Please join me in welcoming our new and renewing leadership team for 2013/2014. Joining me is **Tina Chambers**, of Schultz Collins Lawson Chambers, as our Vice President. Tina, Jill Kleiner and I all have worked together in various Chapter volunteer positions since the late 1990s. I am delighted to be flanked by my two long-time volunteer colleagues!

Michon Caton of Gap Inc. continues as our Chapter Secretary. **George Pinto** of Silicon Valley Accountancy is our new Treasurer. Committee Chairs and Board members are listed on page 12. We all look forward to serving you in this 2013/2014 year.

Thank You, Jill!

I want to thank **Jill Kleiner** for all she has accomplished with Western Pension. Jill guided us the last two years as Chapter President, and will now serve as President Elect of the Governing Board (the leadership organization of all the Western Pension chapters). Jill was also co-chair of the 2012 Western Pension Conference, and over the years has served in every volunteer capacity that our Chapter offers.

Jill's warm and engaging leadership style has been helpful to all of us. She is understated, but brings the direction and firmness we've needed to move forward. It has been a joy to work with her. Luckily, Jill will remain with our Board for this year and next as Past President. We'll need her help and guidance!

Thanks for your support,
Andrew Ferguson
aferguson@altmancronin.com

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MEET MEMBER

Julie Burbank



Name: Julie Burbank
Company: Chevron Corporation
Title: Senior Counsel
Education: J.D. from the University of San Francisco School of Law
B.S. in Business Administration with concentrations in finance and real estate from San Francisco State University

Years in the industry: 23

Please tell us about your first "real" job: I believe I was the first girl to have a paper route with the San Mateo Times but that was probably not a "real" job. In high school, I worked as a proof machine operator for Wells Fargo Bank.

BUSINESS BACKGROUND

Nature of your work: I recently returned to Chevron where I previously worked from 1983-1998. I provide counsel to Chevron's Total Remuneration group. They are responsible for the design of compensation and benefits programs for Chevron's approximately 61,900 global employees. I primarily advise on the health and welfare, defined contribution and defined benefit plans and programs. Of course, as many of you already know, since 2010 I have been immersed in the Patient Protection and Affordable Care Act.

How you got into the field: After graduating from San Francisco State University, Chevron Corporation hired me as an auditor. My first audit was of a health plan. I later became a regular on the retirement plan audits that were conducted by PricewaterhouseCoopers LLP. I wanted to attend law school but could not do so when I was traveling nearly 60% of the time. After a couple of years as an auditor, when the benefits staff had an opening I applied and was hired as an international benefits analyst. I went on to work as a design analyst for the qualified retirement plans, and then as a senior design analyst for the health and welfare plans. I attended law school four nights a week for four years while working on Chevron's benefits staff. After I passed the California bar, Chevron's outside benefits counsel, Barbara Creed, introduced me to Trucker♦Huss, APC where I have worked for the past 15 years.

What you like about the field: There is never a dull moment. ERISA keeps changing and the regulations just keep coming. (But it sure would be nice if the regulations did not come out just before every holiday weekend.)

PERSONAL

Ways you spend free time: What is free time? Seriously, I intend to figure that out soon so ask me again in a year.

Guiding philosophy: Very long ago, a boss of mine had a motto "demand the impossible, get the improbable" that I adopted for myself.

Favorite charity: STAND! For Families Free of Violence (<http://www.standagainstdv.org>). I served on their Board of Directors for many years.

Last books read: John Grisham's *The Racketeer*. I definitely like to read things other than ERISA regulations but that takes free time. I always make time to read John Grisham's books as they come out and I just pre-ordered his latest that will be released in October. A couple of years ago, I read a very interesting memoir about an autistic savant titled *Born on a Blue Day* by Daniel Tammet.

Restaurant recommendations: Boulevard and The Slanted Door in San Francisco. In the East Bay I like Esin Restaurant and Bar (Danville), 1515 Restaurant and Lounge (Walnut Creek), Prima Ristorante (Walnut Creek) and the Walnut Creek Yacht Club.

What will you do when you retire: I have always wanted to travel the world.



SPECIAL PROFILE

McDonald Association Management



Since 2004, McDonald Association Management has provided comprehensive association and meeting management services to several professional associations, including the California/Western States Chapter of The ESOP Association that represents five of the western states.

The association staff members are:

Jenifer McDonald, Executive Administrator

Sean McDonald, Director of Member Services

Cathy Piwinski, Accounting, Financial Services

Alison Thompson, Executive Assistant

The entire staff looks forward to working with the members and greeting you at events and meetings.

BACKGROUND

Jenifer McDonald began her career in legislative affairs and association management in 1981 when she was hired by Assemblywoman Marian W. La Follette (R-Northridge) to serve in her California State Capitol office. During the ten years that Assemblywoman La Follette served in the Legislature, Jenifer took responsibility for the overall operation of both the Capitol and District offices as Chief of Staff.

Following LaFollette's 1990 retirement, Jenifer spent more than 12 years as Assistant Vice President and Corporate Secretary for the Association of California Insurance Companies (ACIC). Jenifer was responsible for office administration, management of all legislative support services, the ACIC Political Action Committee, budgeting, investment planning, membership growth and retention and meeting planning.

Jenifer also served as Executive Director of the California Association of Collectors where she was responsible for the complete reorganization of the association that represented 400 bill collection agencies.

ABOUT THE MANAGEMENT TEAM

Jenifer McDonald will be responsible for overall administration for the San Francisco Chapter, with her team of professionals providing additional support to the chapter and its activities.

Sean McDonald (he's Jenifer's son) has the role of Director of Member Services. Sean is a graduate of Cal Poly, San Luis Obispo. He worked in the sports industry following his graduation in 2008. His first sales marketing position was with the Los Angeles Clippers at the Staples Center. He then moved for three seasons to the Oakland A's before joining the management company in 2011.

Chapter members will also work with **Cathy Piwinski** who provides accounting and financial services and **Alison Thompson** who is the company's administrative assistant.

The entire team loves sports of all kinds but most are great lovers of baseball.

Jenifer enjoys gardening, decorating, and entertaining and cooking for friends and family. Her true joy, though, is a love of music and dance and she reminisces often about her years as a member of the Diablo Light Opera Company and Contra Costa Musical Theatre.

Jenifer and her team are excited to be working with the San Francisco Chapter of the Western Pension & Benefits Council.



Cathy, Sean, and Alison.





Qualified Retirement Plans

EBSA Online Retirement Toolkit Launched: On June 6, 2013, the Department of Labor's Employee Benefits Security Administration (the "EBSA") launched an online toolkit to help employees identify key issues related to retirement planning. The retirement toolkit was developed in conjunction with the Social Security Administration and the Centers for Medicare and Medicaid Services, and it includes useful timelines and illustrations to help workers understand important decisions related to qualified retirement plans, Social Security and Medicare. The toolkit can be found on the EBSA's website.

<http://www.dol.gov/ebsa>

Proposed Amendments to Premium Rate Regulations Issued: On July 23, 2013, the Pension Benefit Guaranty Corporation ("PBGC") issued proposed amendments to its regulations on premium rates and payment of premiums. The proposal reflects changes to simplify due dates, coordinate the due date for terminating plans with the termination process, make conforming and clarifying changes to the variable-rate premium rules, and provide for relief from penalties. The PBGC notes that the proposal is intended to make its premium rules more effective and less burdensome. Some noteworthy changes in the proposed rules from the existing premium rate regulations, include the following:

- Large plans would no longer have to pay flat-rate premiums early. Under the proposal, all annual premiums for plans of all sizes will be due on the same day in the premium payment year, namely the historical variable rate premium due date.
- Small plans would get more time to value benefits. Small plans generally use prior-year figures for the variable-rate premium.
- The 1% penalty cap would be reduced from 100% to 50% of the underpayment in order to preserve the self-correction incentive and reward for long-overdue premiums.

These amendments to the PBGC premium rate would be effective starting 2014. Comments on the proposed rules are due to the PBGC no later than September 23, 2013.

<http://www.pgbc.gov>

Opinion and Advisory Letter Application Submission Deadlines for Defined Benefit Mass Submitter Plans Extended: On July 31, 2013, the Internal Revenue Service (the "Service"), issued

Announcement 2013-37, which extends the deadline to submit on-cycle applications for opinion and advisory letters for sponsors and practitioners maintaining defined benefit mass submitter lead plans for the plans' second six-year remedial cycle. The previous submission period for these applications, as set forth under Revenue Procedures 2007-2 and 2011-49, was set to expire on October 31, 2013. However, under Announcement 2013-37, the deadline has been extended to January 31, 2014.

<http://www.irs.gov>

Health and Wellness Plans

Final Rules on Incentives for Employment-Based Wellness Programs Released: On June 3, 2013, the Department of Labor (the "DOL"), Department of Treasury ("Treasury") and Department of Health and Human Services ("HHS") (collectively, the "Departments") released final rules regarding nondiscriminatory wellness programs in group health coverage, consistent with the Patient Protection and Affordable Health Care Act (the "Affordable Care Act"). The Departments issued the final rules to provide comprehensive guidance with respect to the general requirements for wellness programs. Specifically, the final rules increase the maximum permissible reward under a health-contingent wellness program offered in connection with a group health plan (and any related health insurance coverage) from 20% to 30% of the cost of coverage. In addition, the final rules further increase the maximum permissible reward to 50% for wellness programs designed to prevent or reduce tobacco use. Plus, the final rules include other clarifications regarding the reasonable design of health-contingent wellness programs and the reasonable alternatives they must offer in order to avoid prohibited discrimination.

The final rules support participatory wellness programs, which generally are available without regard to an individual's health status, including programs that reimburse for the cost of membership in a fitness center; that provide a reward to employees for attending a monthly, no-cost health education seminar; or that reward employees who complete a health risk assessment, without requiring them to take further action. The final rules also outline standards for nondiscriminatory health-contingent wellness programs, which reward individuals who meet a specific standard related to their health, including programs that provide a reward to those who do not use, or decrease their use of, tobacco, or programs that reward those who achieve a specified health-related goal, such as a specified cholesterol level, weight, or body mass

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index, as well as those who fail to meet such goals but take certain other healthy actions.

The Departments noted in the Preamble to the final rules that they anticipate issuing future subregulatory guidance to provide additional clarity and potentially proposing modifications to the final rules as necessary. The final rules were effective August 2, 2013 and are generally applicable to plan years beginning on or after January 1, 2014.

<http://www.dol.gov>

<http://www.treasury.gov>

<http://www.hhs.gov>

Final Rule on SHOP Exchange Programs Released: On June 4, 2013, HHS released final rules which implement provisions under the Affordable Care Act relating to the Small Business Health Options Program (“SHOP”). Effective January 1, 2014, individuals and small businesses will be able to purchase private health insurance through competitive marketplaces, called Affordable Insurance Exchanges or “Exchanges”. Section 1311(b)(1)(B) of the Affordable Care Act contemplates that in each State there will be a SHOP, which assists qualified employers in providing health insurance options for their employees. These final rules amend existing regulations regarding triggering events and special enrollment periods for qualified employees and their dependents and implement a transitional policy regarding employees’ choice of qualified health plans in the SHOP. In addition, these final rules change the special enrollment period to select a qualified health plan from 60 days to 30 days in most instances, including instances where an employee or dependent becomes eligible for premium assistance under the Children’s Health Insurance Program (“CHIP”) or loses eligibility for Medicaid or CHIP.

HHS also published SHOP Health Coverage Applications for employers and employees, which can be found on the HHS website. The SHOP final rules were generally effective July 1, 2013.

<http://www.hhs.gov>

Revised Form 720 to Pay PCORI Fees Issued: On June 6, 2013, the Service issued a revised Form 720, Quarterly Federal Excise Tax Return, and Instructions for Form 720 (Rev. April 2013), which insurance issuers and sponsors of self insured health plans should use to report and pay Patient Centered Outcomes Research Institute (“PCORI”) fees annually. Under the Affordable Care Act, the PCORI fee is assessed on health

insurers and plan sponsors of self-insured group health plans. PCORI utilizes these fees to promote research that evaluates and compares the health outcomes and clinical effectiveness, risks, and benefits of medical treatments, services, procedures, and drugs. The PCORI fee is required to be reported annually on the second quarter Form 720 and paid by July 31st of the year following the last day of the plan year. The PCORI fee applies to policy or plan years ending on or after October 1, 2012, and before October 1, 2019. Payment of the PCORI should be reported on Part II, Number 133 of Form 720.

<http://www.irs.gov>

Notices on Individual Shared Responsibility Issued: On June 27, 2013, the Service issued Notice 2013-41, which provides guidance on whether or when, for purposes of the premium tax credit under Section 36B of the Internal Revenue Code of 1986, as amended (the “Code”), an individual is eligible for minimum essential coverage under certain government-sponsored health programs or other coverage designated as minimum essential health coverage, specifically coverage under Medicaid, Medicare, or TRICARE government-sponsored health programs or under a student health plan or state high risk pool. Notice 2013-41 applies for taxable years ending after December 31, 2013.

The Service also issued Notice 2013-42, which provides relief from the provisions of Section 5000A of the Code relating to shared responsibility payments. Under Section 5000A of the Code, for each month beginning after December 31, 2013, individuals who are not exempt must either maintain minimum essential coverage for themselves and any nonexempt family members or include an individual shared responsibility payment with their Federal income tax return. A taxpayer is liable under Section 5000A of the Code for any nonexempt individual whom the taxpayer may claim as a dependent. Notice 2013-42 provides relief from Section 5000A of the Code for specified individuals who are eligible to enroll in certain eligible employer-sponsored health plans with a plan year other than a calendar year (non-calendar year plans) if the plan year begins in 2013 and ends in 2014.

<http://www.irs.gov>

Final Rules on Exchanges Released: On July 1, 2013, HHS released final rules implementing certain specific statutory functions of Exchanges under the Affordable Care Act, including determining eligibility for and granting certificates of exemption from the individual shared responsibility

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payment described in Section 5000A of the Code. In addition, the final rules implement the responsibilities of the Secretary of HHS, in coordination with the Secretary of the Treasury, to designate other health benefits coverage as minimum essential coverage by providing that certain coverage be designated as minimum essential coverage. The final rules also outline substantive and procedural requirements that other types of individual coverage must fulfill in order to be certified as minimum essential coverage. These final rules on Exchanges were effective August 26, 2013.

<http://www.hhs.gov>

Final Rules on Contraception Coverage and Religious Organizations Released: On July 2, 2013, the Departments released final rules regarding coverage of certain preventive services under the Affordable Care Act, which requires coverage without cost sharing of certain preventive health services by non-grandfathered group health plans and health insurance issuers. Among these preventative health services are women's preventive health services, as specified in guidelines supported by the Health Resources and Services Administration ("HRSA"). However, under HRSA guidelines, group health plans established or maintained by certain religious employers (and group health insurance coverage provided in connection with such plans) are exempt from the otherwise applicable requirement to cover certain contraceptive services. These final rules simplify and clarify the religious employer exemption. These final rules also establish accommodations with respect to the contraceptive coverage requirement for such plans, as well as student health insurance coverage arranged by eligible organizations that are institutions of higher education.

The final rules on contraception coverage and religious organizations were effective on August 1, 2013. With the exception of the amendments to the religious employer exemption, which apply to group health plans and health insurance issuers for plan years beginning on or after August 1, 2013, these final rules apply to group health plans and health insurance issuers for plan years beginning on or after January 1, 2014.

<http://www.hhs.gov>

<http://www.dol.gov>

<http://www.treasury.gov>

Employer Shared Responsibility Mandate Delayed: On July 2, 2013, the Treasury announced a delay in its enforcement of

the employer shared responsibility mandate under the Affordable Care Act. The Treasury noted that the delay is designed to meet two goals. First, it will allow the Treasury to consider ways to simplify the new reporting requirements consistent with the law. Second, it will provide time to adapt health coverage and reporting systems while employers are moving toward making health coverage affordable and accessible for their employees. Accordingly, the Treasury announced that it is extending transition relief to the employer shared responsibility payments for one-year. These payments will not apply for 2014, but any employer shared responsibility payments will begin to apply in 2015.

<http://www.treasury.gov>

Transition Relief Provided for Certain 2014 Reporting Requirements under the Affordable Care Act: On July 10, 2013, the Service issued Notice 2013-45, which provides transition relief from certain information reporting requirements for 2014 under the Affordable Care Act. Specifically, relief is being provided for:

- The information reporting requirements applicable to insurers, self-insuring employers, and certain other providers of minimum essential coverage under Section 6055 of the Code;
- The information reporting requirements applicable to applicable large employers under Section 6056 of the Code; and
- The employer shared responsibility provisions under Section 4980H of the Code.

The Service notes that this transition relief is intended to provide additional time for input from employers and other reporting entities in an effort to simplify information reporting consistent with effective implementation of the law. The Service also notes that this transition relief is also intended to provide employers, insurers, and other providers of minimum essential coverage time to adapt their health coverage and reporting systems. Once the information reporting rules have been issued, employers and other reporting entities are encouraged to voluntarily comply with the information reporting provisions for 2014. However, both the information reporting and the employer shared responsibility provisions will be fully effective for 2015. This transition relief has no effect on the effective date or application of other provisions under the Affordable Care Act.

<http://www.irs.gov>

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Joint Guidance

EBSA Semiannual Regulatory Agenda for Spring 2013 Posted: On July 3, 2013, the EBSA, released its semiannual regulatory agenda for Spring 2013, which lists of all regulations the EBSA expects to have under active consideration for promulgation, proposal, or review during the coming 6 to 12-month period, including actions on the following topics related to qualified retirement and health and welfare plans:

- An amendment to the Abandoned Plan Program
- An amendment to the claims procedures regulations
- Final rules on the annual funding notice requirement
- Proposed rules on conflict of interest rule-investment advice
- Proposed rules on guidance or similar requirements for disclosures under Section 408(b)(2) of the Code
- Improved fee disclosure for welfare plans
- Final rules on incentives for nondiscriminatory wellness programs in group health plans

The Spring 2013 semiannual regulatory agenda can be found on the Federal Regulatory Agenda website under “DOL.”
<http://www.regulations.gov>

Treasury and Service Release 2013-2014 Priority Guidance Plan: On August 9, 2013, the Treasury and the Service released their 2013-2014 Priority Guidance Plan (the “Guidance Plan”), which lists the issues that will be the subject of formal guidance from July 2013 through June 2014. The Guidance Plan includes pending items addressing the following areas:

Qualified Retirement Plans

- Guidance on frozen defined benefit plans and related matters
- Guidance relating to *United States v. Windsor* (determining that Section 3 of the Defense of Marriage Act is unconstitutional). On August 29, 2013, the Service issued Revenue Ruling 2013-17, in which the Service states that it will treat a same-sex marriage recognized as valid by the state (or foreign jurisdiction) in which it was “initially established” as a marriage for federal tax purposes, regardless of the married couple’s place of residence.

Health and Welfare Plans

- Final regulations on cafeteria plans under Section 125 of the Code

- Guidance relating to *United States v. Windsor* (determining that Section 3 of the Defense of Marriage Act is unconstitutional)

Executive Compensation

- Final regulations under Section 162(m) of the Code on the stock-based compensation aggregate limit rule under Treasury Regulations Section 1.162-27(e)(2), and the transition relief under Treasury Regulations Section 1.162-27(f)(1)
- Guidance under Sections 280G and 4999(a) of the Code on change in ownership

Supreme Court of the United States

On June 26, 2013, the Supreme Court of the United States (“SCOTUS”) issued two decisions redefining marriage under United States and California law, which have a profound impact on qualified retirement plans and health and welfare plans.

In *Windsor v. United States*, the surviving spouse of a same-sex marriage recognized in New York was denied the marital exemption of the federal estate tax pursuant to the federal Defense of Marriage Act (“DOMA”) which defined “marriage” as a legal union between a man and woman, and “spouse” as an opposite-sex husband or wife for purposes of all federal laws. SCOTUS held that the definition of marriage is up to the states and DOMA’s prohibition on federal recognition of same-sex marriages, regardless of state law, is unconstitutional. Following *Windsor*, same sex-couples legally married under state law now enjoy the same rights as opposite-sex marriages, at least within their home states.

SCOTUS’ decision in the second case, *Hollingsworth v. Perry*, effectively confirms that same-sex marriage is legal in California. As a result, California is now one of thirteen states that recognize same-sex marriage and counties have begun issuing same-sex marriage licenses.

The *Windsor* decision raises numerous questions that will hopefully be answered in the coming weeks as President Obama’s administration has asked regulatory agencies to expedite guidance. In the meantime, where same-sex marriage is recognized, in states like California, the impact of SCOTUS’ decisions on qualified retirement and health and welfare plans is as follows:

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Impact on Qualified Retirement Plans

- A same-sex spouse is a spouse for qualified joint and survivor annuity (“QJSA”) purposes (thus, participant needs same-sex spousal consent to elect another form of benefit) and the automatic form of payment is a QJSA to the same-sex spouse.
- A same-sex spouse is automatically entitled to a qualified preretirement spousal annuity (“QPSA”) and the participant needs consent of a same-sex spouse to waive the QPSA.
- A same-sex spouse now can roll over eligible rollover distributions to another qualified plan (previously was limited to a non-spouse rollover to an IRA).
- A same-sex spouse is entitled to delay required minimum distributions (“RMDs”) until the date the participant would have been 70-1/2 (previously had to commence under non-spouse rules which required commencement within 1 year of death).
- A divorcing same-sex spouse now will be entitled to a portion of the participant’s benefit under a qualified domestic relations order (“QDRO”).

Impact on Health and Welfare Plans

- Health and welfare plans must offer coverage to same-sex spouses on the same terms and conditions it offers coverage to opposite-sex spouses.
- Employees will not have to pay federal income taxes on the imputed cost of employer health coverage provided to a same-sex spouse.
- If an employee participates in a premium-only plan, he or she can use pre-tax dollars to pay for their same-sex spouse’s health coverage.
- Participants can be reimbursed for healthcare expenses of their same-sex spouses under the terms of a flex spending account or other tax favored systems.
- Same-sex spouses now have the same COBRA and HIPAA special enrollment rights as enjoyed by opposite-sex spouses.
- A same-sex spouse will be treated as a spouse under the Affordable Care Act.

<http://www.supremecourt.gov>

MANY THANKS TO OUR 2013-14 CHAPTER SPONSORS

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Towers Watson
Trucker♦Huss
The Vanguard Group
Wells Fargo Institutional Retirement and Trust

Silver

Aon Hewitt
Buck Consultants, LLC
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Transamerica Retirement Solutions

As always, our deepest thanks to Katuri Kaye of Trucker♦Huss for her dedicated work on the Quarterly Regulatory Updates.



2013

WESTERN BENEFITS CONFERENCE RECAP



The annual Western Benefits Conference, cosponsored by WPBC and ASPPA, was held from July 21-24 at the Bayside Hilton in San Diego. The conference was well-attended, and provided important perspectives on late-breaking issues, most notably the changes brought by DOMA and the ACA.

The well-respected media and comic art convention Comicon was held at the same time. Our arriving attendees were greeted by fabulous comic revelers, costumed street parties, and, let's face it, a different demographic. Taking elevators festooned floor-to-ceiling in fake vampire blood was fun, and by the Monday morning sessions we were back to a more familiar environment.

The theme of the conference – Charting the Course for a Healthy Retirement – was reflected in the emerging issues of retirement readiness, tax reform issues, and healthcare. Sessions on the traditional slate of issues in each practice area were provided, which complemented the focus on trending issues and hot topics.

The San Francisco chapter had excellent representation on the steering and program committees. **Ron Triche**, now of ASPPA but previously diva-of-all-trades in San Francisco, co-chaired the conference. Ron introduced the conference and spoke to us at Monday's lunch. Last year's co-chair of the Conference and outgoing President of the SF Chapter, **Jill Kleiner** of Towers Watson, served on the Conference Steering Committee. And **Lori McKenzie** of Charles Schwab, also a SF Chapter board member, reprised her role on the Program Committee. A big thanks to Ron, Jill, and Lori for helping to organize and lead this event.

The SF Chapter was also well-represented in the speaker ranks. **Brad Huss** of Trucker♦Huss gave a presentation on Qualified Plan Committee Fiduciary Obligations. Ron Triche analyzed the changes and implications of DOMA (see below). **Brian Montanez** of Multnomah Group spoke on common 403(b) plan problems and solutions. Lori McKenzie participated in an experts roundtable on defined contribution issues. **Andrew Ferguson** spoke at two cash balance sessions. **Julie Burbank**, newly of Chevron Corporation, provided an update on Health Care Reform for large employers. Thank you for all of the hard work and support by our San Francisco representatives.

Monday morning's Washington update was led by Brian Graff, Executive Director of ASPPA. Brian discussed the implications of tax reform now under consideration in Washington. He provided a vigorous defense of the 401(k)-anchored retirement system, debunking Washington myths about tax expenditures as inefficient, ineffectual, expensive, and focused on the rich. He systematically built a case for maintaining and expanding 401(k) coverage through an analysis of the advantages and benefits to our current approach to retirement savings. This dovetails with the current ASPPA media and political campaign, "Saving My 401(k)."

Brian also discussed Detroit's declaration of bankruptcy and the possibility that pensioner benefits could be reduced. Recognizing that Detroit's pension system is municipal, and thus not subject to the same rules and oversight as private retirement plans, he nonetheless emphasized the implications for all retirement systems. For the first time, large-scale reductions in previously granted retirement benefits were under serious consideration. Are we, as sponsors of retirement plans and consultants to these sponsors, ready for the scrutiny, attention, and concern that may be triggered nationwide by these events? Will participants view the existing private pension protections in the same way if Detroit pensioners see significant reductions?

Craig Hoffman, general counsel of ASPPA, followed Brian's presentation. He covered a variety of acronymic legislation. This included the SEAL Act, which would attempt to staunch the loss of retirement income by extending loan repayment deadlines and eliminating the six-month suspension on deferrals after a hardship distribution. Also covered was the SAFE Act, which would liberalize hardship distribution rules, remove the cap on auto-escalation increases, repeal the top-heavy requirements, and make other changes. And the Lifetime Income Disclosure Act, which would require ERISA DC plans to disclose equivalent annuity amounts, with liability protection for employers and providers if DOL rules are satisfied. Craig also provided an update on MEPs, fiduciary disclosure rules, and IRS regulations, including the recent EPCRS release.

The lunch sessions were both substantive and entertaining. On Monday, Helen Morrison discussed the implications and effects of the Affordable Care Act. Tuesday's session was a high-energy presentation by Thomas Kmak. He provided

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a provocative challenge to both providers and plan sponsors to focus on effective preparedness for employee retirement.

The concurrent sessions addressed both hot topics and recurring themes in each practice area: legal, health and welfare, TPAs, plan sponsors, investment, actuaries, and DC consultants. Notable sessions included:

- A discussion of social media, where best practices, and the balance between market effectiveness and compliance, were addressed.
- An overview of the new EPCRS procedures by Avaneesh Bhagat of the IRS.
- Two professionalism sessions, one particularly focused on actuaries.
- A review of lifetime income products.

One highlight of the Conference was Ron Triche's session on DOMA. Ron began with how the Supreme Court changed DOMA. He then surveyed the current legal landscape, and introduced the legal conflict between states with marriage equality and those without, and how that may complicate qualified plan compliance and administration. The issue of retroactively was addressed, along with a listing of issues plan sponsors should consider. Throughout the session, Ron emphasized the late-breaking nature of his material by introducing developments occurring up through the day of the session. With IRS guidance subsequently issued (see Legal and Regulatory Update in this issue), we now have some guidance on these issues.

Another highlight was Brad Huss's session on ERISA fiduciary issues. Brad began with a general discussion of ERISA's fiduciary rules and how they apply to employees, plan committees and service providers. He then described how delegating authority to plan committees can improve plan administration and compliance and reduce the risk of fiduciary liability. He went on to explain how a delegation of authority can be documented, and how to implement best practices for handling benefit claims and appeals, contract negotiations with service providers and periodic reviews of service providers, plan fees and investment performance.

A disappointment was the impact of the current sequester. Government speakers now find it difficult to attend conferences. Without government participation, planned Q&A sessions were redirected to other discussion topics. Dialogues held with IRS, DOL and PBGC representatives at past conferences have been very important to plan sponsors and providers, as well as to the government itself in shaping policy and regulation. We sincerely hope that government participation in industry conferences is restored as soon as possible.

In conclusion, the 2013 Western Benefits Conference was a successful event. Thanks to everyone for their participation and efforts!

Please **save the date** for the 2014 Conference: We look forward to seeing you (and other characters?) from **July 27th through the 30th at the Bellagio in Las Vegas!**

Our thanks to Andrew Ferguson of Altman & Cronin Benefit Consultants, LLC and Matt Gouax of Trucker♦Huss for this recap of the 2013 Western Benefits Conference.

The Newsletter is always looking for contributors. If you would like to write a topical benefits-related article or compile the quarterly regulatory update for an upcoming issue, please contact Melissa Mayhew at: Melissa.Mayhew@buckconsultants.com

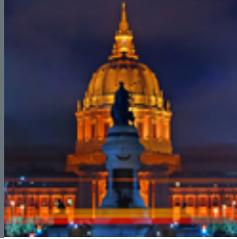
EMPLOYMENT OPPORTUNITIES

This service is provided quarterly to our readers. If you wish to post an employment opportunity, please read the following note.

We do not warrant or claim that listings are accurate as written, and we cannot guarantee their timeliness. Listings must comply with applicable regulations for employment advertising. Email all listings to info@wpbcfsf.com for a price quote. Ad cost is \$50 for every 25-word segment. The next deadline for submission is December 1 for the Winter 2013 issue. Call Jenifer McDonald at the Chapter office for more information, (415) 730-5479.



CHAPTER MEETING NOTES, CHAPTER SPONSORS, UPCOMING EVENTS



Our Chapter was pleased to present the following meetings and events:

August 22, 2013
S.F. Chapter Meeting

SUPREME COURT SPEAKS ON DOMA: NOW WHAT?

Speaker:

Tonie Bitseff, Nixon Peabody

September 13, 2013

OPEN FORUM ON OPEN ENROLLMENT

Speaker:

Patricia Anglin, Orrick, Herrington & Sutcliffe, LLP

September 18, 2013

Silicon Valley Fall Conference
**THE EVER CHANGING
BENEFITS LANDSCAPE**

Speakers:

Stig Nybo, Transamerica Retirement Solutions

Barbara Tanzillo & Kathryn Curry, Partners at GCA Law Partners

Bill Berry, Orrick, Herrington & Sutcliffe LLP

Renee Bosley, Leavitt Group



Oct 2 S.F. Chapter Meeting Senior Counsel Perspectives

Speakers:

Henry Hernandez, McKesson Corporation

Eric Cotts, Google, Inc.

Location: The Palace Hotel,
San Francisco, CA

4:00 PM Registration

4:30 PM Meeting

HONORING OUR LONG-TERM MEMBERS

July 1, 1969	Norman Nicolay
July 1, 1970	Donald Robinson
July 1, 1974	Michael Vorkapich
July 1, 1977	Robert Steinhorn
July 1, 1978	Robert Jocelyn
July 1, 1980	R. Bradford Huss
July 1, 1981	Judith Boyette
July 1, 1981	Richard Gilbert
July 1, 1981	Michael Sladky
July 1, 1981	Lee Trucker
July 1, 1985	Ward Kallstrom
July 1, 1985	Barbara McCormick
July 1, 1986	Richard Hinman
July 1, 1987	Ian Altman
July 1, 1988	Barbara Pletcher
July 1, 1988	Brian Quinn
July 1, 1988	Jon Chambers
July 1, 1989	Jeremy Chapman
July 1, 1989	Thomas Matthews
July 1, 1989	Constance Hiatt
July 1, 1990	Virginia Chaloeicheep
July 1, 1990	Steven Itelson
July 1, 1990	Thomas Mathews
July 1, 1991	David Foster
July 1, 1991	Amiram Givon
July 1, 1991	Ina Potter
July 1, 1992	Kathy Aizawa
July 1, 1992	Richard Wright
July 1, 1992	Stephen Dobrow

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Amber A. Ward
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Blake Williams
Trucker♦Huss

On the Move

Wayne Boothby is no longer with *Trucker♦Huss*

Julie Burbank is now with *Chevron Corporation*

Cheryl Conrad is now with *Transamerica Retirement Solutions*

Marie Letellier is now with *Transamerica Retirement Solutions*

Renay Washington is no longer with *Trucker♦Huss*

Deborah Wiener is no longer with *Trucker♦Huss*

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Membership in the WP&BC San Francisco Chapter is open to individuals who are productively, substantially and continuously engaged in work in the field of employee benefits. Any individual who has been engaged in work in the field of employee benefits may become a member upon submission of a completed membership application, payment of dues, and approval by the Chapter Board of Directors. To join, visit <http://www.westernpension.org>.

