

401(k) Plan Tips, Resources and Thoughts

For Plan Administrators, Business Owners, CPA's, CFO's, Controllers and Human Resources 401(k) Newsletter from Atlas (Q2 - 2017)

While the stock market is humming away to new highs, participants are enjoying looking at their 401(k)/403(b) account balances. Hopefully they have received investment guidance based upon their life stage and risk tolerance and on target to become "Retirement Ready". By becoming "Retirement Ready" each participant will have less focus on future financial concerns and typically will be better employees with higher job performance. We bang the drum in each writing, but education is critical to the success of any plan and the job of education is not complete only with the on-boarding process. You need an on-going plan for the year with multiple touch points.

With the DOL Fiduciary Rule (Best Interest Clause) suspended at least until June 10th, 2017, we are waiting on more clarity for possible outcomes. Our initial feeling is the rule will be watered down versus cancelled. Either way, if you are a fiduciary on your plan its in your best interests to work with groups or individuals who have a fiduciary responsibility to the plan sponsor and to the participants.

Participants Surveys are also very important. This is at least a once-per-year activity and is a very quick and inexpensive way to garner immediate feedback on the plan and suggestions to improve it. There are MANY web-based services that offer a quick and simple way to create the survey and aggregate the results for analysis.

401(k)/403(b) Seminars in the Philadelphia Region - [CLICK HERE TO REGISTER](#)

Topic: "401(k) Plan Design Ideas and Fiduciary Compliance"

CE CREDITS: HRCI (2), CPE (2)

Dates: May 10th (Springfield/Media), May 17th (King of Prussia)

Time: 7:30am - 10:00am (Continental Breakfast will be served)

Cost: No Charge to Registered Attendees (no walk-ups)

401(k) Plan Tips:

- You should have had or scheduled your **Annual Investment Committee Meeting (AICM)**. This is part of your Fiduciary Compliance. This is typically done in the March or April time frame to aggregate all the data from the prior year. You should be reviewing plan fees, asset lineup diversification and fund fees along with your overall Fiduciary Compliance plan. **CPA's** - you should be a part of your client's AICM as part of your client facing services and to better understand their needs and performance.

- **Participant Education** - You should schedule an "on-site" meeting with your Investment Advisor to your plan for your participants of the plan. This should be scheduled at least once-per-year, more often depending on the size of your company. This is part of your Fiduciary Responsibility and just giving the participants an investment brochure for the plan and a phone number to call may not be enough. Consider scheduling the meeting time on-site around lunch time and provide an opportunity

for people to setup one-on-one time too.

- Consider adding a **HSA (Health Savings Account)** plan to your employee benefits. This is an inexpensive way to help them pay for healthcare during the current year (Pre-Tax) and save for future healthcare costs as they age and eventually retire. The HSA acts as a savings account that grows "tax free" and for the employees that truly are conscience of healthcare costs (both current and future), they will welcome this added benefit. [Click Here for More Information on Company HSA Plans](#)

- Check your **Fidelity Bond** value/amount. Many plans come up short and become Red Flags and potential Audit Risks for the DOL. This is a simple fix. Talk to your TPA, Investment Advisor or Record Keeper and verify it for compliance.

Good Article Links:

[Participants Must Be "Nudged" Toward Higher Savings Rates](#)

[5 Things You May Not Know About Roth 401\(k\)s](#)

[Pre-Retirees and Retirees Getting Out of Target-Date Funds](#)

[Including Family in Financial Wellness Conversations](#)

[Helping Employees Address Longevity in Retirement](#)

Are You A Fiduciary On Your 401(k) Plan?

This is a question we don't get often enough and is often forgotten in ignorance. Many people that may not think they have fiduciary responsibility, *truly do*. If you are a/in business owner, management, human resources or business partner, you could have some level of fiduciary responsibility. If you are unsure, you need to contact your 401(k) Service Provider and/or an ERISA attorney. One of the best things your company should consider is outsourcing the 3(38) and 3(21) fiduciary responsibility.

[Understanding 3\(38\) and 3\(21\) Fiduciary Responsibility - CLICK HERE](#)

Popular Topics from Prior Newsletters

Changes To Consider To Your 401(k) Plan In 2017

Auto-Enrollment - To help with participation rate you should consider this option. Obviously each participant could withdraw from the plan, but any company with a 401(k) Plan must make a concerted effort to encourage retirement savings and thoroughly explain the benefits on the plan.

Roth 401(k) - About 70% +/- of companies are offering the Roth 401(k) option. This is an option that has been available since 2006 and provides a lot more flexibility to participants that want to add this to compliment their traditional 401(k) plan or as a sole account for post-tax savings. The major benefit to the participant is after the age of 59 1/2, the participant can take the money out penalty and tax free, but the money grows tax-free over time.

Stepped-Up Match - This program encourages and rewards tenure in a company. You can setup tenure ranges with associated match percentages that work best for your participants. For example only, you could have the following Stepped-Up Match ranges; 1-3 Years (2%), 4-7 Years (3%), 8-12 Years (4%), 13+ Years (5%). Remember, any changes to the tenure ranges and associated match percentages you need to update all adoption agreements and effectively communicate to all eligible employees.

Article from 401(k) Specialist -

"Don't Get Burned: Six Fiduciary Items To Closely Watch"

[CLICK HERE](#)

401(k) Plan Review - Checklist

Atlas has provided a 2-Page 401(k) Plan Review checklist for you to download

[CLICK HERE TO VIEW THE CHECKLIST AND DOWNLOAD](#)

NEW Article - 401(k) Plan Mistakes and Ideas to Fix them - Part 1

This article will be in four(4) separate parts and focus on key areas of the 401(k) Plan that the biggest MISTAKES are made and ideas on how to fix them. We are providing this information almost as a "How-To" playbook on achieving 401(k) Plan success and avoiding a potential DOL audit.

CLICK Here for the Full Article

Potential Audit Flags - Items You Need To Be Aware Of

In order to avoid to potential audit flags, you need to be aware of the following:

- Making sure your Fidelity Bond is properly covering the assets on your plan.
- Review and Update your IPS (Investment Policy Statement).
- Have a process on how you evaluate your asset lineup on an annual basis.
- Make sure there is Retirement Coaching available for your participants throughout the year.

DOL Ruling You Should Be Familiar With

[See "Tibble v. Edison" Ruling by Supreme Court](#)

Answer *These Important Questions To Improve Your Plan:*

- Do you have a Fiduciary File of all your 401(k) documents?
- Have you offered Roth as part of your 401(k) Plan as an option?
- Don't lose valuable employees with more than 5 years of tenure, consider higher match plateaus based on tenure?
- Have you sent out an Employee Survey to aggregate feedback on your 401(k) Plan?
- Have you reviewed how your 401(k) can reduce your company's annual tax burden?

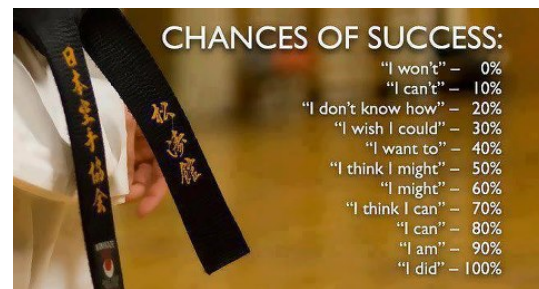
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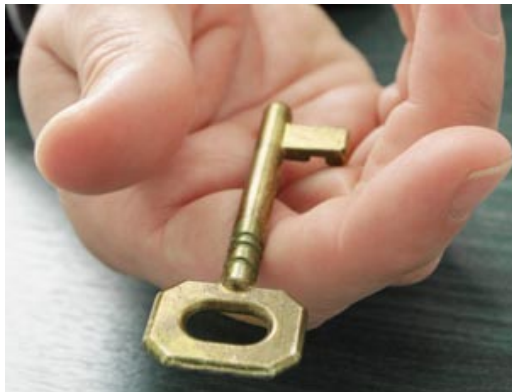
Article: Why You Need a TPA For Your 401 (k) Plan

This article reviews why you need and should use a TPA(Third-Party Administrator) and the basic functions and services they provide. Unless you

have someone with extensive experience on staff, you should have someone outside your organization review your plan structure along with flexible options, submit all required government forms and run all necessary tests to make sure you are in compliance. This article was written and provided by Nora Bethman from NEBS.



[Link to Complete Article](#)



Benchmark Your 401(k) Plan Today

It is your **Fiduciary Responsibility** to make sure that your plan has a reasonable fee structure and your Fund/ETF Lineup is performing as expected. If the independent Benchmark Report identifies issues and you don't take care of them, you could be at risk for an DOL Audit.

[Click Here for Benchmark Report Info](#)



401(k) Education Workshops

We have recently just posted our latest workshop schedule. The workshops are on Plan Structure and DOL Fiduciary Responsibility. If you are involved with your company 401(k) or have clients that have a 401(k) plan, you need to attend. This workshop is for Plans Sponsors, HR, CFO's, Controllers, Business Owners & CPAs (CPE Credits offered). We pride ourselves on Providing Education along with topical, timely and very useful information.

[Click Here for Workshop Schedule & Registration](#)



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