

Company Retirement Plan Tips, Resources and Thoughts

For Plan Sponsors, Human Resources, CFOs, Controllers & CPAs 401(k)/403(b) Newsletter from Atlas (Q1 - 2018)

2017 - 401(k) Stats (through Q3)

Average 401(k) Plan: Up 10%

Average Employee Contribution Rate: 8.5%

- Q3 2016: 8.3%
- Q3 2015: 8.25%

401(k) Balance: Baby Boomers (53-71 Years Old)

- Average Balance: \$178,900
- Median: \$62,900

The Impact of Poor Plan Design (or Neglect)

Too many companies and organizations apply a "set it and forget it" mentality with 401(k)/403(b) Plan Design. We've met too many companies that haven't reviewed their plan design in years and a few in 2017 that hadn't since they started the plan. First, you should be having an Investment Committee meeting at least once per year, usually end of Q1, beginning of Q2 once the prior year numbers have been analyzed and benchmarking is completed. This will at least give you baseline information to better understand if your current plan meets your company needs. As your company grows and matures, you may want to consider "Auto-Enrollment", "Auto-Escalation" or even apply a "Stepped-Up Match Program" to encourage greater tenure with your best employees (they get a greater match the longer they stay with the company). Second, updated plan design is part of your Fiduciary Compliance. If you neglect your Fiduciary responsibility towards the overall plan, it can only potentially come back to haunt you.

Don't forget to use your IPS (Investment Policy Statement) as guidance to how your plan should be managed, reviewed and analyzed. The IPS should be reviewed during Investment Committee meetings with peer asset performance review and an updated watch list for assets that are either underperforming and/or have more expensive fees.

Neglect of not reviewing and/or improving your plan could result in not attracting or retaining the right employees. Perhaps it was your Company Match, Vesting Options, Profit Sharing or Withdrawal capability that was competitive with their prior or soon to be new employer. We've already mentioned about reviewing assets for under performance or higher in fees, but what have you done as a Plan Sponsor or being a part of the 401(k)/403(b) team to rectify that situation? This could result in a possible DOL audit,

Declination Letters

(for eligible employees who decline to participate in your retirement plan)

This is one of the more overlooked areas for most Plan Sponsors, but one that the DOL doesn't forget during an audit. If an eligible participant declines to be in your company retirement plan, they *MUST* sign a Declination Letter. Put it in your file, or scan and upload it to your cloud archive. Even consider veteran eligible participants that have declined year-after-year to participate in the plan to sign a Declination Letter (each year preferably that they decline). It may be an extra task, but well worth it as the DOL could make your company pay the Match for those eligible people that declined during the years they were eligible, if you don't have something in writing. This can be done despite the fact they declined "verbally", but never had anything in writing they declined. Don't think it could every happen, it did to a prospective client we were talking to last year. You can use a template and have your HR person provide it as part of the benefits that eligible employee is now receiving.

Speaking Event (Philadelphia Area) - February 7th, 2018

Institute of Management Accountants (IMA) - West Chester, PA Chapter Sponsored event. Ronald Lang, Atlas Wealth Management will be the featured speaker. ***CPE credits will be offered.***

See details for [Free Event - REGISTER HERE](#)

End-of-Year Plan Checklist *(in case you forgot)*

If you haven't completed this task, click this link to review items that may need attention.

[CLICK HERE](#)

Featured Article (1) - Plan Advisor Magazine

"Only 13% of Retirement Plan Participants Seek Out Advice" - [CLICK HERE](#)

Featured Article (2) - Plan Advisor Magazine

"Few Employees Using HSAs as Retirement Savings Vehicles" - [CLICK HERE](#)

Featured Article (3) - Plan Sponsor Magazine

"Participants Say More Info About Plan Investment Fees Would Be Useful" - [CLICK HERE](#)

Featured Article (4) - 401(k) Specialist Magazine

"The Big 3" For Retirement Plan Participants" - [CLICK HERE](#)

MORE Article Links that you will find Interesting and Educational:

[Debt Causing Financial Vulnerability for Pre-Retirees](#)

[Workers Look For All Aspects of Financial Education](#)

[The No. 1 Reason For 401\(k\) Frustration](#)

[Survey Says: Pet Expenses or Retirement Savings](#)

[Why We All Love 401\(k\)s](#)

[Why Are Women Less Risk Tolerant Than Men?](#)

Need a SPEAKER for your Human Resource Association/Group OR CPA Association/Group
Ron Lang has been a very well-received speaker at many groups and offers a variety of topical content that have been SHRM, HRCI CE and CPE approved. - [EMAIL For More Information](#)

Our New Dedicated 401(k) Web Site - www.Atlas401kPlans.com

We are now *officially* listed in the SHRM National Vendor Directory as a Premier Partner
[Click Here to view the listing](#)

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, **but 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.

Fiduciary Compliance Tip - If you have "eligible" employees for the 401(k) plan and the decline to participate, make them sign a letter that they have declined participation in the plan. If you ever get audited you now have documentation that they declined to participate. Consider doing this every year, not just the first year they are eligible.

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

Popular Topics from Prior Newsletters

Do you have a HSA (Health Savings Account) Program?

One of the fastest growing company benefits that is a minimal cost to the company, but provides maximum benefit to the employee. If you have a "High-Deductible Health Plan(HDHP)" with a deductible over \$1,350/year (Self-Only) or \$2,700 deductible for Individual with Family Coverage, 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.

Contribution Limits (2018) -

Self-Only Coverage (\$3,450/annually), Individual with Family Coverage is \$6,000/annually)

Out-of-Pocket Expenses(2018) -

deductibles, co-payments and other amounts, but not premiums - are \$6,650 or less for Self-Only Coverage or \$13,300 or less for Family Coverage.

[Click Here for More Information on Company HSA Plans](#)

Ask yourself and your 401(k) Plan Committee the following questions:

1. Have you reviewed your Investment Policy Statement (IPS) annually?
2. Have you compared EACH of your Funds/ETFs for reasonable fees and performance?
3. Have you sent out a company survey of 5-7 questions to solicit feedback on your 401(k) Plan?
4. Do you have a complete "Fiduciary File" of all your 401(k) Plan documents (centralized)?
5. Have you checked your Fidelity Bond amount to make sure it covers your total plan assets?
6. Do you have procedures for new eligible employees on your plan?
7. Do you get good service? Calls frequently? Offers Education? Offers tax strategy consulting?
8. Have you interviewed 1-2 other companies just to compare service and asset offerings?

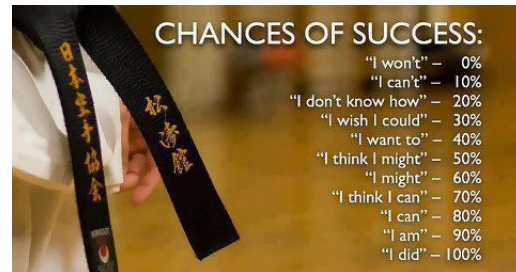
(These are just a sample of important questions to ask at this time of the year)

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

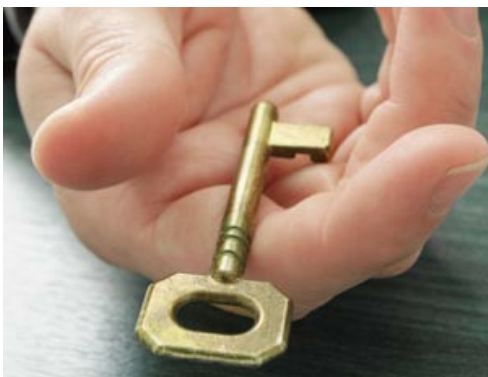


Article: Why You Need a TPA For Your 401(k) Plan

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

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



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