

Bad Choices For 401(k) Plan Sponsors That Often Lead To Bad Results

It's not about luck.



My grandmother was very superstitious and she believed that bad luck could result from a bad choice you make. My grandmother grew up in old world Europe and she clearly was a product of her times. I'm less superstitious, I think that choices in life can lead to bad results, but I don't think it's about luck. I think you can make your own luck based on the choices that you make. For 401(k) plans, I believe that certain choices that a plan sponsor can make can lead to bad and costly results. Plan sponsors can make their own bad luck by making bad choices, so this article is a warning tale on what bad choices that a plan sponsor should not make.

For the article, click [here](#).

401(k) Plan Sponsors Need To Focus On These Issues.

It must be done.

Too many plan sponsors ignore their retirement plans and by doing that, they are unknowingly putting themselves in harm's way. I know that plan sponsors are busy running their own businesses, but the nature of 401(k) plans requires their undivided attention. Plan sponsors need to get off their rear end and concentrate on certain key points in order to make sure that they have a plan in place that won't cost them in liability later down the line.



To read the article, please click [here](#).

Smaller 401(k) Plans Have A Lot More Problems Than Larger Plans.

That's a fact.



Common sense would make you think that larger 401(k) plans would have larger problems than smaller plans. Sometimes common sense and reality are mutually exclusive. Thanks to the quirks of the retirement plan business and how it prices products and services, it's the smaller plans that will have larger problems in terms of compliance and cost. This article is all about letting small 401(k) plan sponsors learn why they can't ignore their role

as a plan fiduciary, especially if they have a small 401(k) plan.

To read this article, please click [here](#).

If the DOL says you should find missing participants, do it.

Listen to what the DOL says.

I'm not afraid of many things, except making the deep water and the heights. I'm not afraid of the Department of Labor (DOL) because I listen to what they're trying to say. So if they say that missing participants are a concern, I'm going to advise my clients to put processes in place to find missing participants and use rollover custodians like FPS Trust when the accounts meet the rollover limits.



The DOL is focusing because most plans do nothing with missing participants until they need to terminate the plan. As a plan sponsor, you want to roll out former participants because they can be a compliance headache, especially since they tend not to get any information on the plan and may have a required minimum distribution if they're around the magic age of 70 ½.

So if the DOL is trying to focus on missing participants, it's important that you do as well. It's always important to pick up social cues from our friends at the DOL.

Plan design is a big deal.

Realize that it is.

Chess is not a game that I ever



played a lot or was ever good at it, but it's a fascinating game because every move can change the course of the game.

I see sometimes plan design as similar to the game of chess because a good approach to it could increase the retirement savings and tax deductions for employers and individuals.

I'm still amazed at how many financial advisors, attorneys, and accountants, give short

shrift to plan design, a third party administrator (TPA) is more important than just being a price point. They're not a commodity, they are a service provider that can help employers save hundreds of thousands of dollars and even millions down the road by implementing a plan design or augmenting with a cash balance or defined benefit plan to help plan sponsors and participants to maximize retirement savings, which maximizes tax deductions.

Plan design is a big deal and hiring a good TPA that can do the job.

Check out That 401(k) Site.

The place for 401(k) news plus more.

Please check out that401ksite.com, the website for 401(k) news, tips, and information beyond 401(k) plans.

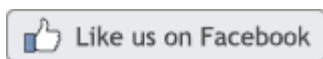
That site has the latest 401(k) news, self help topics for 401(k) plan providers and plan sponsors, as well as articles on pop culture and business history.

It's also the place to be for information on all things That 401(k) Conference and That 401(k) National Conference.

To quote Frank Costanza from Seinfeld, "it's the place to be."



THAT401KSITE.COM



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