

**THE
ROSENBAUM
LAW FIRM P.C.**

THE LAW FIRM REVIEW
A Publication for Plan Sponsors and Retirement Plan
Professionals

How 401(k) Plan Sponsors Should Deal With Plan Enrollment/Education Meetings.

These meetings shouldn't be forgotten.



Plan sponsors are constantly inundated by articles and plan providers talking about issues dealing with administrative costs, fiduciary responsibility, and general compliance, that there is one topic that plan sponsors usually drop the ball on. It's the enrollment and plan education meetings that they either don't hold or put absolutely no effort into. The enrollment/education meetings are an important part of limiting a plan sponsor's liability when 401(k) investments are directed by plan participants. This article is about why and

how plan sponsors need to inject life into plan enrollment/education meetings.

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

Reasons Why You Should Sponsor A 401(k) Plan.

So many reasons why.

As an employer, a big reason for setting up a retirement plan is because it's an employee benefit and it can be used to recruit and retain top-level employees. Unlike health insurance, the costs of running a retirement plan don't increase at least 20% annually. As far as what retirement plan you should be setting up, I think the best option out there is the 401(k) plan. I'm sure you've read so many articles on how bad 401(k) plans are, but 401(k) plans are only bad if they are run

badly. To steal a line from 16-time World Champion wrestler Ric Flair, as far as 401(k) plans go: "Whether you like it, or you don't like it, learn to love it! It's the best thing going today!" When it comes to retirement plans, the 401(k) plan is your best option and this article will tell you why.



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

Important Tasks That Many 401(k) Plan Sponsors Ignore.

Which they shouldn't.



When I was a kid, there were advertising campaigns that advised people to check their blood pressure because it's always a great barometer of one's health. When I was a teenager, the campaign with blood pressure was so successful, they eventually started a campaign for people to find out their cholesterol level. I have to say that as an ERISA for 20 years, I have been part of a retirement plan industry that has stressed the need for 401(k) plan sponsors to understand their fiduciary duties as plan sponsors and the need to take care of certain tasks. That campaign has been a little successful, yet there are just too many tasks that

401(k) plan sponsors don't complete and which puts them in harm's way. This article is about the tasks that plan sponsors should complete, but many don't.

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

Advice To Plan Sponsors About 401(k) Plan Options.

Options and what they should do with them.

Life is full of choices and sometimes, there are just way too many choices. That's the problem with 401(k) plan sponsors setting up their plan. There are so many plan provisions to consider and so many choices for each provision, that it can be overwhelming for you. So this article is sifting through many of the important optional provisions with ideas on what might be the right fit for you.



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

Never lose sight that a 401(k) plan can recruit or

retain employees.

Never forget why you put the plan in.



While plan providers tell 401(k) plan sponsors such as yourselves that you need to focus on fee and fiduciary issues, you should never lose sight of the fact that a 401(k) plan is an employee benefit.

Just like health insurance, gym reimbursement, and free coffee, a 401(k) plan is an important employee benefit that can be used to retain and recruit employees. That's why it's important that you have one

and maintain it so that it runs optimally for the benefit of plan participants.

Why is it important not to forget that a 401(k) plan can be a big thing? By a four-to-one margin (80 percent to 20 percent), workers would choose a job with benefits over an identical job that offered 30% more salary with no benefits, according to the American Institute of CPAs, which released the results of its 2018 Employee Benefit Report. That's why.

Roll them out.

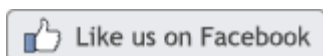
Tell former participants, adios.


Having employees can get a bit messy. I know that from experience, having left a position or two that may not have been on the best of terms (I bring that out in people).

If you have a 401(k) plan that you sponsor, I suggest trying your best to having those former employees roll out their account balances. Sure, for most distributions (usually over \$1,000 or \$5,000, depending on the plan's terms), you will need their consent, but you have to give the nudge to these former employees that it might be a good idea to roll out their account balance.

Why? Participants, even former participants, are entitled to notices and updates as required by law. It's hard to keep up with former employees that you've lost in touch with and those you were happy to lose touch with. In addition, I always say that former employees are more likely to cause plan sponsors trouble than current employees.

Too many plan sponsors send out the initial paperwork to these former employees and never follow up. The problem with that approach is when the plan needs to be terminated, it becomes a headache trying to locate those you lost in contact with. A little housekeeping now will avoid the major housekeeping when the plan is winding down.



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