The Rosenbaum Law Firm P.C.

The Law Firm Review

A Publication for Plan Sponsors and Retirement Plan Professionals

How 401(k) Plan Sponsors Can Improve Their Plan At Little Cost.

It doesn't have to cost much.

There are many ways that a retirement plan sponsor can improve their 401(k) plan, but they usually balk when it comes to the time and the money needed to rectify it. With so many issues regarding their business especially the increases in the cost of that other important employee benefit (health insurance), plan sponsors just don't have the patience to improve their 401(k) plan even in their duty as a plan fiduciary and the responsibility that comes with it. So this article is about how plan sponsors can simply improve their plan on a shoestring, which means low cost and not a lot of work on the part of the 401(k) plan sponsor.

To read the article, please click here.

Retirement Plan "Hustlers" That Retirement Plan Sponsors Should Avoid.

People they should avoid.

There are three important rules of life in the Nelson Algren novel, A Walk on The Wild Side: "Never play cards with a man called Doc. Never eat at a place called Mom's. Never sleep with a woman whose troubles are worse than your own." When it comes to important rules of life for retirement plan sponsors, there isn't much eloquence out there. There are quite a few retirement plan professionals out there that plan sponsors should avoid just like playing cards with a man called Doc. So this article is about which retirement plan professionals that retirement plan sponsors should avoid.

For the article, click here.

Concerns For Who You Pick As Your 401(k)'s TPA.

Some tips on who to pick.

I was very lucky that when I started as an ERISA attorney in 1998, I worked as a staff attorney for a third party administrator (TPA). It gave me insight and experience that I could never have gotten as an attorney working for a law firm. Over the first 9 years as an attorney, I was able to see the good, the bad, and the ugly of the retirement business, so that knowledge can be used to help my plan sponsor and retirement plan provider clients. I always compared myself to my late uncle who worked for a meat provision company who we trusted for advice in which hotdogs to eat, so I can tell you which TPA a plan sponsor should use. In my six years working for my own firm, I have also added some more TPA tales. This article is about some of the many things I saw with advice on what plan sponsors should be avoiding in using a TPA.

To read the article, please click here.

Absolutely no shock Universities being sued over their Plans.

It was bound to happen..

There has been an influx of participant lawsuits against private universities for the 401(k) and/or 403(b) plans they sponsor for their employees. That's like shooting fish in a barrel.

Private universities are being sued because the claims are that the 401(k) plans and 403(b) plans that they sponsor are just way too expensive. Let's be honest, private universities and colleges aren't exactly experts when it comes to reasonable costs. I'm still paying off my student loans 18 years after I graduated school.

When you have little concern about costs in your "business", why would you have concern about the costs of your retirement plan? I can vouch through 18 years of experience that the worst run retirement plans are usually run by businesses that are way too busy in running their own business and aren't exactly concerned about the costs that they pass on to their clients. Just saying...

Some Plan Providers will take advantage of good Fiduciary Practices .

They will start selling stuff that plan sponsors don't need.

More and more plan sponsors are starting to understand their fiduciary duty and their duty to

pay only reasonable plan expenses. That also means that there will be plan providers out there who will try to take advantage of the situation by selling services to "help" the plan sponsor review their fiduciary duty with over inflated fees.

I heard of a retirement plan provider that is providing a benchmarking service and a review of the financial advisor's work. They will benchmark fees, review the investment policy statement, and review plan investments. They won't serve in any fiduciary capacity and they will do all that work for almost $4,000. It seems to be a lot to me just to benchmark fees and review the fiduciary process in the plan without serving as a plan fiduciary especially when the financial advisor could use an independent benchmarking service like Brightscope, fi360, and Fiduciary Benchmarks for a lot less than $4,000. It's also a lot of money when I realized that the financial advisor was only making $12,000 on a $6 million plan.

Plan sponsors should understand their fiduciary duty and their duty to pay only reasonable plan expenses, but they need to ask around whether a provider's work deserves what I thought was an inflated fee.

Everyone has to make a living and I'm sure that there will be more plan providers out there who will try to make a lot of bucks for doing a lot of nothing and a little something.

That 401(k) Site premieres.

That401kSite.com.

that401ksite.com is now officially live.

The site is geared towards both plan sponsors and plan providers. It contains articles on how they can improve their standing by instituting good practices. It talks about law changes and court decisions and how it will impact their duties as plan fiduciaries and plan providers.

We have content that has nothing to do with 401(k) plans such as why Caddyshack II was one of the worst movie sequels of all time.

To start things off, I'm proud to have interviewed Sheldon Geller of Stone Hill Fiduciary Management, LLC. The interview can be found here.

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The Rosenbaum Law Firm P.C.
ary@therosenbaumlawfirm.com
www.TheRosenbaumLawFirm.com
734 Franklin Avenue, Suite 302
Garden City, New York 11530
Phone 516-594-1557
Fax 516-368-3780