

THE
ROSENBAUM
LAW FIRM P.C.

ADVISORS ADVANTAGE

A Publication for Retirement Plan Professionals

Plan Providers Should Encourage Participants To Rollover Assets.

In so many ways, it makes sense.

There are so many issues in advising retirement plan sponsors in your role as a retirement plan provider that you may forget a thing or two that could help your clients and you in the long run. One facet of the business that rarely any providers consider is encouraging plan participants to roll over 401(k) balances from their previous employer plans as well as Individual Retirement Account balances. Many providers don't want the hassle, but there are many reasons why you should consider encouraging plan participants to rollover assets into a 401(k) plan you advise on.



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

Social Media and Your Employees: It Could Be A Problem

These things can be trouble.



I worked at a law firm and I wanted to build a National ERISA practice. Since the partners there weren't interested in sharing clients, I tried my best to get some. I drafted an email to an advisor I knew from the third party administrator (TPA) I left several years earlier. To say something about my work ethic, they eventually needed to hire 3 people to replace me, so their legal fees went up. I mentioned

that my fees were much more competitive than the TPA's legal fees and I could offer an attorney-client relationship. The TPA found out about my email and contacted the managing Attorney who didn't like me from Day One. The tongue lashing is memorialized in my Kindle Book about 20 of you actually bought, but let's just say that everyone takes a beating someday (obligatory GoodFellas reference).

As far as employees are concerned, you should be concerned with their social media posts as long as they identify themselves as your employee. In my area, I've seen school district employee say things on Facebook that no school district employees should be saying as school district employees. There is nothing wrong with employees expressing themselves as long as they're not expressing themselves while identifying themselves as your employee because you may not want to be linked to their views.

You have enough things on your plate without worrying what an employee may post as your employees. You don't want to be saddled with views and actions that may not reflect well on your organization. This isn't a matter of free speech (the First Amendment is protection from government interference), it's a matter of you having fewer headaches.

Don't give it away for free.

It's an absolute mistake, it never pays off.

Many years ago, I did income tax returns for a flat fee. It didn't become the success that I thought it would be, but it was worth a try. I had the ProSeries tax software, which is the professional version of TurboTax. I had a family member who wanted me to do her boyfriend's tax return for free and I balked. Of course, in my family, I was attacked for it even though I offered them to use the software, but mark the return as self-prepared. It was one of my stubborn Larry David like Curb Your Enthusiasm moments, but I was adamant that I wouldn't do it for free because I believe that if you do something for free, the other side assumes what you gave them has no value.



If you work, you deserve to be compensated. Sales pitches and meetings are part of the cost of doing business, but offering services to potential clients for free that you ordinarily charge is a mistake. I do a plan review for plan sponsors called the Retirement Plan Tune-Up for \$750. About 5-6 years ago, I had a financial advisor from Pennsylvania who was interested in the review and asked for a sample done for a potential client as a test case for this potential partnership with his firm. Let's just say that nothing came out of the partnership and this advisor got a free review of their plan. Not everyone will exploit your willingness to do something on the house, but you need to show people that there is a value to the work you do. If people see that you're giving away something that you would charge for free, then they think the value of what they gave you is zero.

Get compensated at all times for the work you get compensated for because if you let yourself get exploited, you will.

HUB enters the retirement plan space and it all

makes sense.

Great way for insurance broker to broaden their business.



CVS just announced they are buying Aetna and a sign of further consolidation in the health care industry. We see consolidation in the retirement plan business so it's not shocking to see a leading insurance broker decided to enter the retirement plan space.

Hub International, a leading insurance broker has acquired the assets of Summit Financial Corporation and Summit Financial Insurance Agency, Inc.

(Summit). Summit provides plan design, consulting, actuarial, administration and investment-related services for both qualified and non-qualified employer-sponsored retirement plans, as well as, similar services for employee benefit plans.

When you're a leading insurance broker with so many relationships with businesses, getting into the retirement place space might be a good idea as long as you're able to cross-sell. Cross-selling has always been a great idea in the retirement plan business, from personal experience, it's harder to make it work than you think.

Another TPA joins Alliance Benefits Group.

Great TPAs banding together.

One of the great supermarkets in my area is ShopRite and it's one of the unique successes in the supermarket business. ShopRite is a co-operative consisting of individual supermarket owners who band together for purchasing power and marketing purposes.

So what's good in the supermarket can be good for the third party administration (TPA). I was introduced to Alliance Benefits Group (ABG) by John Blossom of Alliance Benefits Group of Illinois who is a client of mine and Alliance Benefits Group sponsored me at their booth at the NAPA event in Las Vegas last March. Alliance Benefit Group has grown again as Jocelyn Pension Consulting, LLC, with offices in San Rafael, CA and Boulder, CO, became the latest retirement plan recordkeeping and consulting firm to become a licensee and join the ABG network.



Being in the TPA business is rough, so it makes sense that some good TPAs have decided to band together for the reasons that any cooperative business is created.

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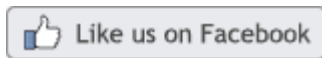
providers. We're big into recycling. So even if you published your articles on your own site, we're always interested in airing interesting content.

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