

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

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

Great 401(k) Participant Features That Can Land You In Plan Sponsor Hot Water.

It can get you in a bad spot.

A 401(k) plan is one of the great employee benefits. Within a 401(k) Plan, some options are truly beneficial to plan participants when it comes to increasing retirement savings or allowing access for a participant's benefit. The problem with these options is that if you and/or your plan provider keep your eye off the ball, then there may be a compliance headache coming your way. The road to hell is paved with good intentions and certainly when 401(k) plan features that benefit employees cause compliance grief.

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



The Truth About Your Need Of A 401(k) Investment Policy Statement.

Separate the fact from fiction.



When you go to kitchenware, you see so many different types of kitchen tools that you didn't know existed. They sell pasta forks and cherry pitters and items you don't need, but you have to have. When you're a 401(k) plan sponsor, you hear a lot about an investment policy statement (IPS) and how you need one. Yet most sponsors like you don't know what it is and what it does. This article breaks down what an IPS is, what it does, and what it doesn't do.

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

The 401(k) Plan Provisions That Can Land You

In Harm's Way.

There needs to be a lot of good reason to hire a provider.

When setting up a 401(k) plan document as a plan sponsor, you have a lot of choices in plan provisions. Depending on the plan documents you're using, there are problems thousands and thousands of different combinations. The problem with plan provisions at times is that some choices might cause more problems than they're worth because of the tendency of them causing compliance headaches. This article is about some of the plan provision choices that could give you heartburn as a 401(k) plan sponsor.



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

A self-directed brokerage account is still something to be wary of.

I'm still not a fan.



I'm wary of self-directed brokerage account because I still concerned about the fiduciary issues, as well as the fact that I still don't think participants do better with them in terms of financial growth. There was a recent survey done by Schwab where it implied that advisors should consider offering it to their clients in their plan. Schwab's "SDBA Indicators Report" found that while only 20% of participants in a brokerage window worked with an adviser as of the second quarter, their average balance of \$448,515 was nearly

twice as much as the \$234,673 held by non-advised participants.

I'm sorry, but that doesn't make me jump out and suggest that plans offer the brokerage window. The survey doesn't suggest that participants do better with a brokerage window, it only says that participants with advisors working with them on these windows have larger account balances, that's it.

Let your providers do their job .

They are here to help.

If your financial advisor tells you that it's time for the regularly scheduled meeting, don't blow them off.

If your third party administrator (TPA) needs you to complete their census request, do it. When your ERISA 3(16) administrator is in charge of signing off on distributions, let them.

If your ERISA attorney tells you that you have to make an application to a voluntary compliance program, do it.



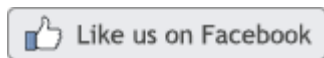
The point is pretty simple: if you hire some good plan providers, let them do their job.

Check out That 401(k) Podcast.

The podcast you should listen to if you have the time.

Please check out That 401(k) Podcast, where I co-host with Dan Venturi of Bright Worxx. We tackle important 401(k) subjects for both plan sponsors and plan providers. In addition, we talk about all the events I'm hosting, as well as important cultural allusions.

Find it [here](#) and on Apple Podcasts [here](#).



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