

## 401(k) Sponsors Say Their Plan is OK, but They Really Have No Idea.

They really have no idea.

When I was dating my wife, she asked me if I had a good credit score and I said I did. I never checked my credit score, but I paid all my bills in full and on time. Of course when I got a copy of my credit report, my credit score wasn't so great because that credit card account that I opened in college with my mother had a \$17,000 balance that I wasn't aware of since I didn't use the card for about 9 years.

My wife was upset because she thought I made an affirmative statement without really knowing the actual truth. Plan sponsors do that all the time when they tell retirement plan providers that their 401(k) plan is OK without having any background or information to make that affirmative statement. Plan sponsors can claim that their 401(k) is fine, but that doesn't mean that's true. So this article is to show 401(k) plan sponsors the idea that their plan is in good shape may not be grounded in reality.



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

## How to Pick Your Retirement Plan Providers.

There is a way to do it.



Too often, retirement plan providers are selected at the family dinner table, the golf outing, or at a house of worship. While those are nice places for social gatherings, they are not the ideal place for selecting retirement plan providers. Selecting competent plan providers is part of your fiduciary duty as a plan sponsor. So selecting a provider must be through an actual process where you review potential providers in each area (administration,

financial advisory, ERISA attorney and auditors (if needed)) before selecting one and document the entire method of selection. So this article is about what you should consider in selecting a retirement plan provider.

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

## Trek Beyond To The Future of 401(k) Plans.

Go boldly where no plan sponsor has gone before.

While I prefer Star Wars, I still have an affinity for Star Trek. Gene Roddenberry's vision of the future was a hopeful one while the science fiction genre prior to his tome had a bleak future. The original series and the series that followed include The Next Generation epitomize all of the wonderful and positive things that humanity can become. When it comes to 401(k) plans, I have hope for the future that features within the plans and changes in the regulatory environment will make the future as bright as Star Trek. By the way, 27 years later, William Shatner has never really atoned for Star Trek V: The New Frontier.



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

## Plan Sponsors Should Know Their "Hat" as Retirement Plan Fiduciaries.

They should know their role.



I love baseball jerseys and I also love New Era on-field Major League Baseball hats. Speaking of hats, a retirement plan sponsor wears many hats when they main a retirement plan. Plan sponsors know they wear the hat of the employer when they set up a retirement plan because they set it up to benefit their employees. Plan sponsors know they wear the hat of a retirement plan sponsor when they set up the plan. What plan sponsors fail to understand that they

also wear the hat of a plan fiduciary and the duty that comes with it. So this article is about the hat of plan fiduciary that a plan sponsor has to wear and the duty and liability that goes with it.

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

## The IRS Voluntary Compliance Program Is Like Your Parents .

Mom said never play ball in the house.

As a child, you're usually told by your parents that they just want to hear the truth and that telling the truth is going to carry a far less punishment than if you lie and try

to hide whatever bad thing you do.

The Internal Revenue Service (IRS) can act as parents when it comes to retirement plans as it pertains to the Internal Revenue Code, while everyone has the fear of the

IRS, like people do with their parents, they just want the truth too. Over the past 18 years in practice, I've noticed the IRS' desire for plan sponsors to proactively fix any plan errors as they keep on making their Employer Plans Compliance Resolution System (EPCRS) easier for plan sponsors to use. The IRS has reduced the presumed penalty amounts that they now call a fee. They have produced model forms that make submissions easier for us retirement plan professionals.

The IRS when it comes to compliance, understands that retirement plans will make mistakes and their voluntary compliance program is the avenue where they would like to see plan sponsors just fess up voluntarily,

IRS compliance is essentially the carrot and the stick. The carrot is the EPCRS. Plan sponsors who identify plan errors will be wise to take the carrot or they will suffer the consequences of the stick. The stick is the use of plan audits to discover plan errors. If an IRS auditor discovers a plan error on their own, they aren't as forgiving as the EPCRS. Penalties for plan errors discovered on audit are way more than anything a plan sponsor has to shell out in legal fees and the EPCRS Program fee if they corrected the error on its own. We all love honesty; the IRS does too. Hiding plan errors instead of voluntarily correcting them is going to be far costlier when discovered by the IRS on their own.

Plan sponsors should treat the EPCRS as a confessional booth where they could confess their "sins" as a plan sponsor when it comes to Internal Revenue Code errors and be done with it rather than the almighty IRS swooping down and punishing the plan sponsor for those sins.

## **that401ksite.com is the 401(k) Place To Be.**

**That401kSite.com.**

[that401ksite.com](http://that401ksite.com) is online with daily updates with retirement plan news, news for plan sponsors, plan providers, and stuff that has absolutely nothing to do with 401(k) plans.

For example, I have my tips on how to [fix law school](#). I also tell people to get over on how [The Howard Stern has changed](#).

We also have tons of articles for both plan sponsors and plan providers from






**THAT401KSITE.COM**

not only yours truly, but other plan providers from around the country.

We have interviews with industry movers and shakers like [Mike Alfred](#) from Brightscope.com.

We're still looking for content and still looking for advertising. Please email [me](#) for more information.

If you love our logo, consider visiting our [online store](#) to purchase shirts, cups, and other tchotchkes.

 Like us on Facebook

Follow us on [twitter](#)

View our profile on [LinkedIn](#)

The Rosenbaum Law Firm Review, November 2016 , Vol. 7 No.11

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

Attorney Advertising. Prior results do not guarantee similar results.  
Copyright 2016, The Rosenbaum Law Firm P.C. All rights reserved.