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## **Some Unpleasant Truths About The Retirement Plan Business**

I think the world of the retirement plan industry, but I'm the guy who likes to speak the unspeakable truths because by pinpointing what's wrong, we can make this industry better, the problem with speaking some unspeakable truths, is that it's not for everyone because as they said in the movie, A Few Good Men, some people can't handle the truth. Whether it was college, law school, or work, I'm always the one who calls it as he sees it and offers suggestions on his things can be approved, it's what has kept me out of certain circles, but I'm in the circle that I want to be. This article is all about some unpleasant truths about the retirement plan business and what we can do about it.



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**State IRA programs spur  
retirement plan sponsorship**

While states enacting mandatory IRA programs for employers that don't offer retirement plans seems burdensome, I do support it, just because it increases retirement plan coverage and likely, plan sponsorship, so these employers start offering a plan on their own and avoid the mandatory state IRA.



Pew indicates that data from 5500 forms suggests that in states that have created what is known as auto-IRAs, employers with plans continue to offer them, and businesses without plans are still adopting new ones at similar or higher rates than before state options were available. Since 2013, before the first state auto-IRA programs were introduced, the percentage of new plans as a share of all employer-sponsored plans increased nationwide from roughly 6% to nearly 8% by 2019.

So while states will require employers to partake in an IRA plan if they don't offer one, I think it will only spur employers to adopt a plan of their own because of their uneasiness of partaking in any type of government program.

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## Brokerage Window Guidance panned by those who offer it



Witnesses testifying before the ERISA Advisory Council criticized the idea for additional fiduciary or disclosure obligations on 401(k) plans that contain brokerage windows. Of course, the witnesses had a bias since many of them offer it in their plan.

During the two-day hearing, witnesses representing private employers, law firms, and 401(k) industry groups claimed that participants who use self-directed brokerage windows are sophisticated investors familiar with the risks and that existing disclosures already inform participants. They also claim that any new fiduciary obligations might cause plans to cease offering brokerage windows.

I have never been a fan of self-directed brokerage windows, but I believe that there should be additional guidance to properly protect plan sponsors who offer these self-directed brokerage windows and I think we won't get that guidance until a plan sponsor ends up getting sued.

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## Don't be that guy (or gal) at a Networking event

With a networking event planned, I thought it would be a good time to get back into some of the local networking groups to promote it, and quickly, I remembered why I stopped.

One of the meeting groups is someone that I'm friends with and respect. He runs a weekly event, that has been done on a Zoom call since. The Zoom calls create a small conference room where 4-5 business people talk for a few minutes and then get switched around to other rooms. So in one of the rooms, I meet someone who is in the business of selling products with your logo to potential clients. Rather than trying to network with me, he immediately tells me that one of the logos in my virtual background would look great on one of his products. I know when you're selling, you want to sell. The point is I want to network and plug my event, I think giving stuff away for free makes no sense when I don't meet most of my clients live.



In my mind, the point of networking is meeting people and try to find out how to help me, not to sell people products directly. People know what I do and if I do, I tell them. If they know of people that could use my help, they will remember it. I just think the slick sales pitch way upfront is just cheesy and I just squirm. Don't be that guy.

## JP Morgan survey shows participants want more help



A survey by JP Morgan Asset Management shows that even though about four in five respondents didn't change their contributions or investments during the COVID-19 pandemic, more than half feel say they're overloaded with information and don't know how to start planning for retirement.

The survey indicates about 62 percent of participants wish they could just push a button and completely hand over retirement planning.

Several other key trends emerged in the study: 1) Participants think they should be saving more than they are; 2) Participants' favorable/neutral views of auto-enrollment continues to rise, climbing to 87% this year. Four in 10 survey respondents were automatically enrolled into their current plan; 3) About 90 percent identify retirement benefits as an important factor when deciding to stay with their current employers or consider a new employment opportunity; and 4) about 70% believe that their employer has a responsibility to help employees with their financial wellness.



## Registration open for Vegas.

Our Las Vegas event will be Friday, January 21, 2022 on the Las Vegas Strip at New York-New York Hotel & Casino.

For just \$100, you get 4 hours of content on how to grow your retirement plan business, lunch, and a meet and greet with a former sports great.

For more information and sign up, please click [here](#).

For more information on sponsorship, please contact [me](#).



**We will do it again virtually in 2022.**

That 401(k) National Virtual Conference this January was such a hit, we will do it again for 2022. It's far easier to have dozens and dozens of advisors to show up for an event virtually, instead of asking them to take 4 days out of their life and thousands of dollars to attend an event elsewhere.

That 401(k) Virtual Conference will be Thursday-Friday, January 27-28, 2022.

This virtual event will have it all: great presentations to help grow your 401(k) business and a couple of celebrity guests.

Attending the event for two days will start with start at an early bird fee of \$20.22. That price will increase by 50% in the Fall.

To sign up for the event or get more information, click [here](#).

For information on sponsoring the event, click [here](#).

To see some my interview with Walt Frazier from the past Conference, click [here](#).

To see some of my interview with Dwight Gooden from the past Conference, click [here](#).

For a video of Day 1 from the 2021 conference, click [here](#).

For a video of Day 2 from the 2021 conference, click [here](#).

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**ADVISORS ADVANTAGE**  
A Publication for Retirement Plan Professionals

VOLUME 12 ISSUE 10  
October 2021

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