

# Why Hire a Retirement Plan Advisor



# What Qualifications Do You Look For In An Advisor?



**OR**



- Funny
- Brings in donuts
- He's a nice guy
- Likes craft beer
- Wears cool beanies
- A fellow millennial

- Independent and conflict-free
- ERISA specialist
- Good communicator
- Prudent expert
- Retirement plan specialist
- Knowledge of the provider marketplace
- Qualified investment expert
- Fiduciary

# ERISA Says...

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Plan fiduciaries must act as prudent experts under ERISA, and are therefore held to a high standard of care with respect to plan-related decisions regarding investments, service providers, plan administration and general ERISA compliance issues

# Independence

An independent advisor should be free from conflicts of interest.





# Familiarity with ERISA



Advisor should provide updates on:

- Litigation
- Legislation
- Regulations impacting plans and fiduciaries

# Communication Skills



**Educate employees  
regarding plan  
highlights and how  
to create an  
appropriate  
investment strategy.**

# Prudent Expert



**ERISA Section 404(a) requires fiduciaries to act with the skill, knowledge and expertise of a prudent expert.**



# Expertise with Plan Design

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**A qualified advisor will build your plan to meet your goals and objectives while helping your plan maintain qualified status.**



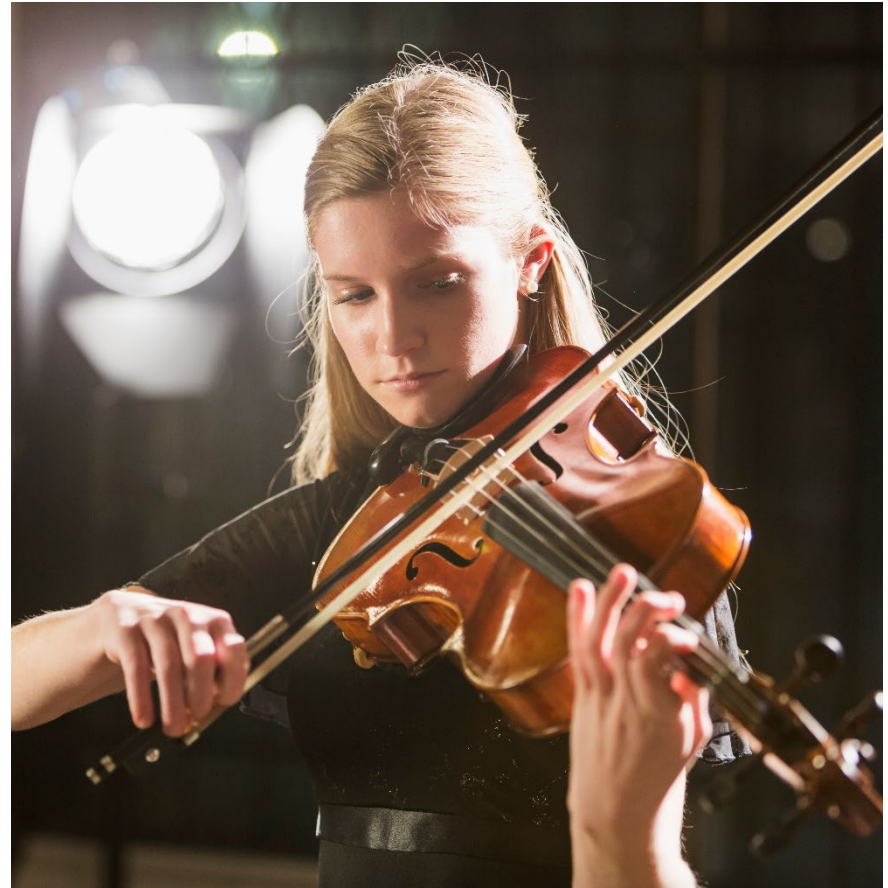
# Generalist vs. Specialist

## GENERALIST



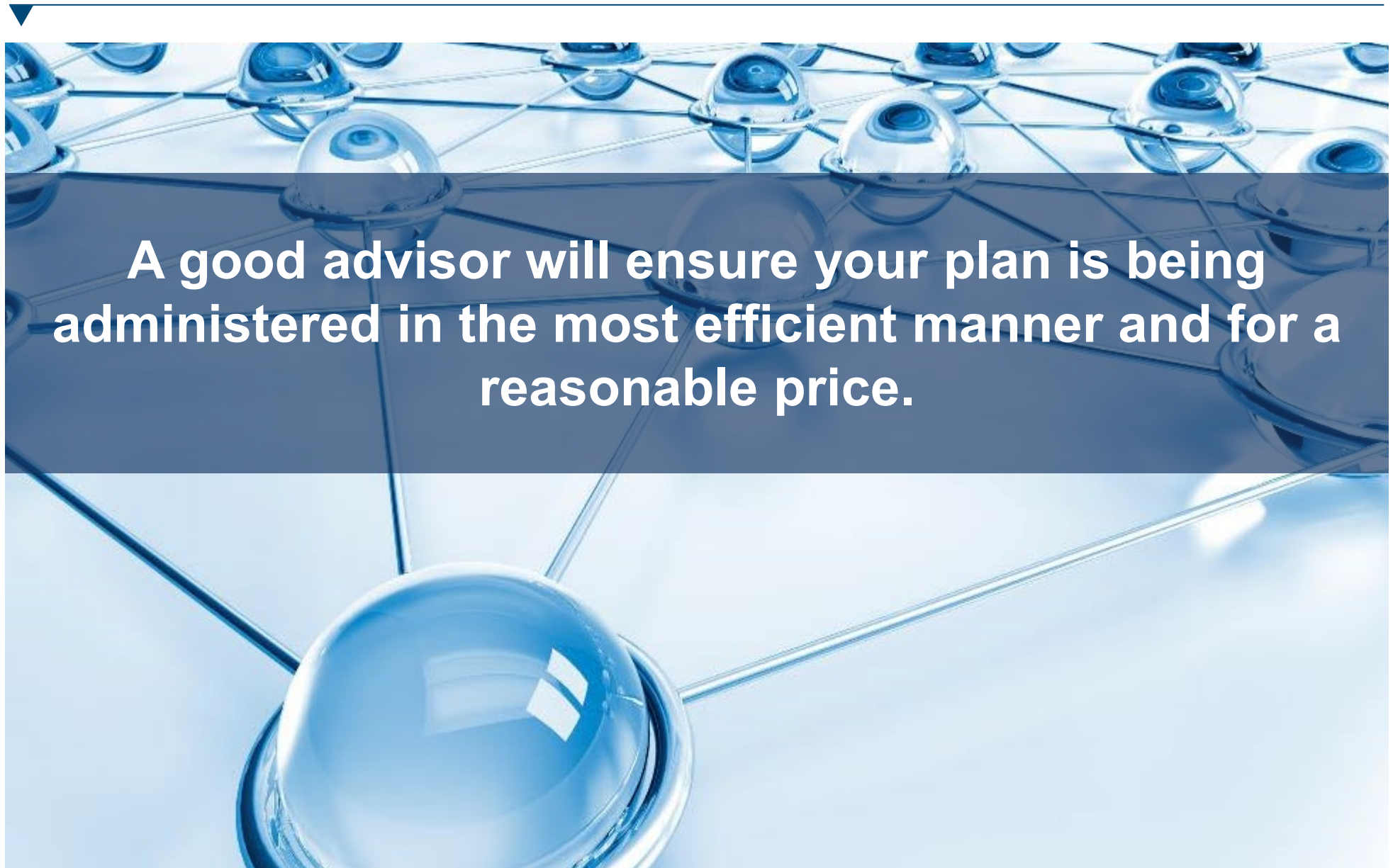
Mark dabbles in the guitar, horns, drums and xylophone. You can catch him at the Santa Monica Pier every Friday night.

## SPECIALIST



Hannah is an American violinist and studied at The Julliard School. She has played since the age of seven and plays regularly with the New York Philharmonic.

# Knowledge of the Provider Marketplace



**A good advisor will ensure your plan is being administered in the most efficient manner and for a reasonable price.**



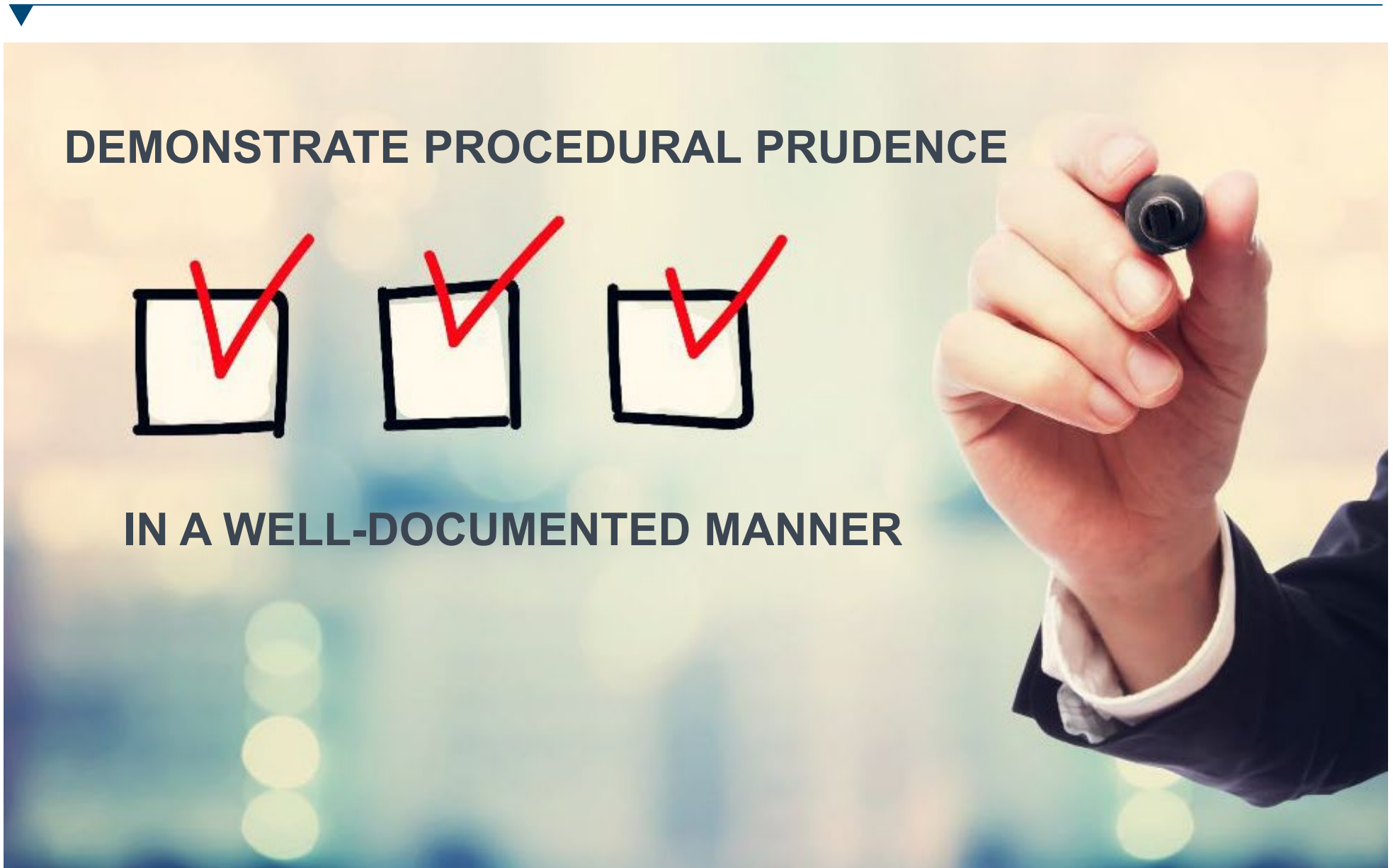
# Qualified Plan Investment Expertise

**A qualified advisor will have the knowledge and expertise to evaluate, select and monitor fund performance.**





# Documentation Skills



# Acceptance of Role as a Fiduciary

Advisor will acknowledge in writing that they are a fiduciary to your plan with respect to the investment advice being delivered.



# 3(21) or 3(38)

## 3(21)

- State in writing fiduciary status
- Follows IPS to build an approved fund menu
- Provides a list of approved funds
- Assists with monitoring of approved fund menu
- Makes recommendations for changes to approved fund menu
- Recommends mapping guidelines
- Provides documentation

## 3(38)

- State in writing fiduciary status
- Drafts IPS
- Builds fund lineup
- Monitors fund lineup
- Makes changes to fund lineup
- Determines mapping strategies
- Provides documentation



# Full and Open Disclosure

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**Advisor fully and openly discloses all sources of fees being received on a direct and/or indirect basis.**



# How to Find the Right Advisor

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## **Request for Information (RFI) / Request for Proposal (RFP)**

1. Follow a process
2. Determine your priorities
3. Include the right advisors in the process
4. Request references
5. Avoid common pitfalls

# Disclosures

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# Thank You



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