Knowing When to Reassess Your Company's Retirement Plan

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Stock market turbulence over the past few years has caused many a retirement plan sponsor to wonder if all is well with the company's plan. Knowing business owners recognize that there is no way to completely absolve themselves of fiduciary risk related to the plan. Compliance with governmental regulations and expectations may be the only certain protection.

This compliance, however, can be difficult to achieve. Did you know, for instance, that fiduciaries are expected to choose investments of quality and monitor those investments for performance on a regular basis, replacing funds that under-perform their peer group over meaningful measurement periods? That fiduciaries have a duty to keep fees at a reasonable cost, assuring that the participants' investment accounts are not jeopardized by excessive costs? That sponsors are to assure plan participants are receiving ongoing education regarding their plan and investments in general on a regular basis? That all plans should have a written investment policy statement by which the plan is managed and reviewed?

Most companies implement a retirement plan as a meaningful benefit to employees. But just the thought of reassessing their plan, comparing it to others and assuring it meets governmental expectations may be overwhelming for busy entrepreneurial companies.

Here are some triggers to help you recognize if it's time to reevaluate your retirement plan and its investment or administrative providers:

- Are you, your management team or your employees spending a countless amount of time with recordkeeping or administration issues related to the plan?
- Does your plan have a written investment policy statement and is that policy reviewed annually?
- Are you and your highly compensated employees able to take full advantage of pre-tax contributions to your plan?
- Has your plan design been evaluated recently to potentially maximize tax benefits for you and your key people?
- Are your investments adequately diversified by style and by fund families?
- Is there a system in place to evaluate your funds' performance and replace any that do not meet your criteria?
- Do you know how your total plan expenses compare to the industry averages? Are you meeting your fiduciary requirement to reasonably reduce those expenses?

These are but a few of the questions you should be exploring to assure that your company's retirement plan is operating efficiently and without undue fiduciary exposure. For a more comprehensive checklist, ***How to Evaluate Your Company's Retirement Plan***, please call us at 717-761-4633 or email advisor@aegisretirement.com. Additional information is also available on our Aegis website at www.aegisretirement.com.

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