

# Retirement Plan Advisor/Consultant Evaluation

## Indicators of Commitment as an Independent Retirement Plan Consultant

- Please list you and your team's Retirement plan consulting professional designations  
ChFC, AIFA, AIF, CRPC, CBFA, CFS, CFP
- Are you a member of a premier retirement consulting organization accepting only the most experienced, most qualified retirement plan advisors?  
Yes, Plan Sponsor Consultants is a Retirement Plan focused team that is part of LPL Retirement Partners (Retirement Partners Group) and is a Legacy National Retirement Partners firm
- Please provide copies of articles you've written on Retirement planning topics in the last three years  
Journal of Pension Benefits, PlanSponsor Magazine, Employee Benefit News
- Please provide a brochure on your retirement plan consulting practices  
Brochure is available digitally and in print upon request
- What Seminars on retirement plan topics (history of seminars) have you conducted recently?  
408(b)-2 Fee Disclosure Plan Sponsor Requirements, 10 Biggest Mistakes Fiduciaries Make, QDIA Due diligence Requirements, ERISA or Bust, Cash Balance Plans, Brightscope Ratings,
- Can you provide a copy of your retirement plan newsletter which you provide your clients?  
Yes. In order to show you the timeliness of our newsletter, we will send this to you upon request as they are updated quarterly.
- What is the Number of Retirement plans and Retirement plan assets that you have under management?  
As of January 2013, our plans totaled 115 and our assets totaled 650 Million.
- Provide a copy of your mission statement  
Plan Sponsor Consultants promise is to create an exceptional retirement plan experience for employers and their employees. We help plan sponsors deliver the highest quality program by providing services that improve participant retirement outcomes, save time, reduce exposure to fiduciary liability, and address both IRS and DOL compliance requirements
- Average number of years of Retirement Plan experience for you or your team ?  
Our Average is 20 years for advisors and 14 for our support staff.
- How many team members?  
6
- How many industry retirement plan conferences do you attend on an annual basis?  
On Average, our team attends 10-12 a year
- How many hours of retirement plan continuing fiduciary education do you complete each year?  
How much is required and by what authority?  
Our team does 100+ Hours annually by various authorities depending upon the professional designation (We will provide upon request)
- How many retirement plan conferences have you spoken at or been a panelist for in the past 3 years?  
Our team has presented at 12 Retirement Plan Conferences

# Retirement Plan Advisor/Consultant Evaluation, cont.

- Do you show up in any industry Benchmarking or Retirement Advisor Evaluation Services e.g. ERISA Advisor Evaluator  
Yes, CFDD ERISA Advisor Evaluator, Brightscope, and Ann Schleck,
- What awards and industry recognition have you received?  
**ASPPA/NAPA Morningstar Retirement Plan Team Leadership Award Finalist 2013 (thus far)**,  
Finalist for Retirement Plan Team of the Year by PlanAdvisor Magazine 2010, Most Successful Retirement Plan Advisors of the Year by PlanAdvisor Magazine 2008 (Top 30), Most Influential 2009 401K Wire

## Fiduciary Services

- Do you have the ability to accept fiduciary responsibility under a servicing contract as either an ERISA 3(21) or 3(38) Fiduciary? Please provide a copy of your contract.  
Yes to ERISA 3(21) or 3(38). Contract available upon request.
- Are you an Accredited Investment Fiduciary Analyst (AIFA) certified to conduct fiduciary assessments of the 22 Prudent Fiduciary Practices, which are based on legislation, case law, and regulatory opinion bulletins/ letters, and to obtain a certification through Centre for Fiduciary Excellence if all nonconformities and opportunities for improvement have been corrected?  
Yes, all of our advisors are AIFs or AIFAs
- Benchmarking of all plan expenses vs. peers. What tools do you utilize? Please provide an example.  
Plan Sponsor Consultants' proprietary RFP with legal opinion by the Wagner Law Group, Brightscope, Fiduciary Benchmarks, Anne Schleck, 401k Averages Book, SearchPro (Pathfinder), LPL Expense Analyzer
- Do you utilize a Proprietary Request for Proposal (RFP)? Please provide a copy.  
Yes. Copy available for review
- Has this proprietary RFP been compliance approved and reviewed by an ERISA counsel. Provide evidence.  
Yes, we have a legal opinion by The Wagner Law Group.
- Do you have a subscription to other independent fiduciary benchmarking services? If so, which ones?  
Mentioned Above
- Do you provide Independent Investment Policy Statement design (not a service provider sample)? Give us a sample.  
Yes, we have 2 Investment Policy Statements depending if we are serving as a 3(21) or 3(38) fiduciary on the plan.
- Do you provide Independent quarterly fiduciary monitoring (not just performance numbers)? Please provide a sample.  
Yes. We have a 12 point scorecard and customized Fiduciary Investment Reporting Management System to provide you quarterly reports that take in to account both performance and risk-adjusted elements of modern portfolio theory.
- Do you provide and review performance reporting?

## **Retirement Plan Advisor/Consultant Evaluation, cont.**

yes, see answer above.

- Search for New Investment Managers? Describe your procedure.  
We maintain a blue ribbon fund list of those investments that score a 10-12 on our scorecards. These lists are updated quarterly. Upon decision that it is time for a new investment manager, we will compare our blue ribbon list to those funds available on your retirement plan's platform and bring you a few options to discuss.
- Do you maintain a Top Filtered or Blue Ribbon Investment List? Please show.  
Yes, see answer above. A sample is available upon request so that it can be current.
- Do you monitor the Service Provider? How?  
Yes, we monitor service providers constantly through our constant updates to our proprietary RFP system and Matrix as well as staying educated on changes in the marketplace. At any point, we can compare your plan for pricing and services among these service providers. We will also keep you informed of any changes that we know of in the marketplace when it comes to Service provider consolidation
- Are your IPS and your quarterly fiduciary monitoring reports in absolute congruency when it comes to measurement standards? Please demonstrate.  
Yes. Our IPS has an appendix that matches our scorecard criteria exactly.
- Does your IPS provide language or measurement standards for Qualified Default Investment Alternatives (QDIA)? Please demonstrate.  
Yes, our IPS's both include language for QDIA. See the IPS sample.
- Does your IPS contain a time horizon for the investment watch list?  
We provide a proposed time horizon for the watch list, but it is up to the committee to decide if they want to follow this or propose their own time horizon.
- Describe your stable value/money market fund due diligence procedures? Please demonstrate.  
We have a separate appendix in our proprietary RFP that deals with stable value. All of these products are not created equally and having this appendix allows us to stay on top of changes in the market place on Stable Value Funds.
- Describe your target date fund due diligence procedures? Please demonstrate.  
Our target date fund due diligence has 2 parts. The first is based in our proprietary RFP where a large number of Target Date fund families have responded to our Target Date Fund Questionnaire (Appendix B) Secondly, we conduct due diligence based on the appropriateness of a target date fund service provider for your plan, by examining glideslope (equity landing point), to or through retirement orientation and risk. We use additional questions to determine which family would be most appropriate for the demographics of your plan.
- Do you provide Committee agendas and committee notes/minutes? Show examples.  
We do provide notes at the end of the meeting. The committee may then decide to make these the minutes upon a vote at the following meeting.
- Ability to conduct retirement plan behavioral audits offering practical behavioral finance solutions to improve plan health. Show examples.

# **Retirement Plan Advisor/Consultant Evaluation, cont.**

Yes, we have a CBFA (certified behavioral finance analyst) on the team who is able to conduct a behavioral finance audit on your plan and make some suggestions based on Behavioral Finance Solutions that can improve participant retirement outcomes for your plan.

- Conduct fiduciary training for plan fiduciaries on the 22 prudent fiduciary practices. If so, show training materials and deliverables.

Yes, we conduct fiduciary training session, which is based on the 22 prudent fiduciary practices, which are based on legislation, case law and regulatory letters and bulletins. This assists committee members in preparing for their committee fiduciary duties and responsibilities. We provide certificates of completion for your fiduciary file. Powerpoint is available for view upon request. The training usually takes about an hour and a half.

- Provide Board of Directors resolutions and By Laws for investment committees. Show samples. Yes, we have a BoD resolution and committee bylaws, appointment letters, and acceptance letters that have been drawn up by counsel for our clients.

- Provide a Fee Disclosure Checklist drawn by counsel, to determine compliance with the regulations. Show example.

Yes, we have a fee disclosure checklist that was drawn up by counsel and updated based on other checklists available as well.

- Compliance with Department of Labor regulation 404(c), which minimizes plan sponsor fiduciary liability if all requirements are met. This requires a questionnaire drawn by counsel and completed by record-keepers. May we see yours?

We have a questionnaire attached to our RFP that has been reviewed and edited by counsel. This has been given to 30 service providers, some still refuse to answer.

- Ability to conduct assessment of compliance with DOL Bulletin 2009-04A? What is your process? Yes, 2009-04A relates to the monitoring of the target date fund family selected. See our answer to the question above that deals with the monitoring and selection of Target Date funds.

- Describe your process for maintaining a list of top rated investments for selection and replacements?

We maintain a blue ribbon fund list and a list of the funds available on most of the common platforms. When an investment has crossed the watch list time horizon threshold criteria for replacement, we will propose several options from the blue ribbon list. We present them on our quarterly Fiduciary Investment Monitoring Report list as proposed plan investments. We can then dive deeper in to the information on these funds using the 2 pager data sheets at the back of our report and assist the committee in deciding on which fund to use in their plan.

## **Plan Success and Design Consulting**

- What metrics do you use to measure plan success?

We have a plan success audit that we can use to measure your plan's success. In general, the goals include 90% participation, 10% contributions, and 90% of participants in a 1-stop diversified investment professionally managed investment such a Target Date Fund or Managed Account

- What elements of design do you incorporate in your plans to overcome inertia?

# **Retirement Plan Advisor/Consultant Evaluation, cont.**

Auto-enrollment and re-enrollment are great tools to help overcome inertia in a plan.

- What elements of design do you incorporate in your plans to overcome loss aversion?  
The tools to overcome loss aversion deal primarily in the match and the match optimizer for the plan. Without costing the sponsor more money, one can decrease the percentage and increase the match optimizer to gain higher deferrals in the plan. In addition, Auto-escalation can be a great tool when used in conjunction with auto enrollment.
- What elements of design do you incorporate in your plans to overcome myopia?  
Since retirement plans are vehicles to save for the future, most of the myopia is in the form of not being able to picture retirement, tools such as retirement readiness calculators where you can see the monthly shortfall and adjust numbers accordingly to see how that changes are great tools to help someone picture their financial situation at retirement. Some providers can now incorporate these in the statements as well as the websites.
- What choice architecture do you create to improve participation?  
Participation can be improved through auto enrollment, auto escalation, future enrolment, easy enrollment, and the use of the match optimizer to improve participant deferrals
- What is your optimum savings rate for participants? and what choice architecture do you utilize to achieve it?  
The optimum deferral rate is 10% for participants. This can be done through the use of auto-escalation until the participant hits the 10% and through the use of the match optimizer to encourage deferral increases. Lastly, retirement readiness calculators can encourage participants to increase their savings to decrease their short fall in retirement.
- Describe your QDIA selection procedures.  
Our due diligence for QDIA is based largely on our extensive due diligence on Target Date Funds, which includes plan demographic evaluation. In certain instances, plan sponsors prefer actively Managed Accounts for their participants, since the asset allocation may be individually customized, and remains dynamic.
- If you were to chose either a target date fund or a actively managed account for a retirement plan, when would you recommend each solution and why?  
For a majority of plans, our recommendation would be an actively managed account. These have tended to outperform target date funds continuously in both an up and down market and have the ability to be dialed in based on the data a participant is willing to put in to the system. The differences are that Managed Accounts are actively managed with more variable input for customization. These can take in to account outside investments and the participant's personal desired retirement age and risk tolerance.
- When do you recommend safe harbor design? We try to provide as many safe harbors as we can possibly accomplish given our plan sponsors financial commitment to match participants deferrals. There are many safe harbors to be incorporated by our efforts beyond deferral matching and exemption from testing requirements.

## **Vendor Review and Comparative Analysis**

- Describe your process



# **Retirement Plan Advisor/Consultant Evaluation, cont.**

We have a very detailed Proprietary Request for Proposal (RFP) . 30 of the top service providers have answered 21 pages of questions, which were provided. We are constantly updating as platforms change and including new service providers. Our RFP has been reviewed by Marcia Wagner of the Wagner Law Firm and has an opinion letter with it that it is a "Great fiduciary tool." In addition, we have created a Executive Summary Matrix to make it easy for a committee to wade through and determine which service providers are best for their size plans.

- How do you conduct comparative benchmarking among vendors  
Utilizing our proprietary RFP , we can compare both the fees and services offered by each service provider keeping in mind that cost is not the only factor in choosing the service provider to best service your plan.

## **Vendor Relations**

- Explain your role as an intermediary between the administrator/record keeper and the plan sponsor.  
We will work with both parties throughout all processes. We are constantly discussing with record keepers.
- Describe your role during a plan transition (re-enrollment, conversion)  
We will work with both the plan sponsor and the service provider, functioning in effect a de facto conversion project manager, as we go through the process from determining the plan provisions through the plan coming live on the platform and beyond.
- Describe your role during an enrollment and education session. We provide Strategic Development of an Communication and Education Policy, based on our behavioral audit, which usually includes on line and or on site meetings. We will develop and supervise the delivery of education including participation in enrollment and education meetings.

## **Education services**

- What do you do to improve participant retirement success outcomes?  
We first conduct a behavioral audit of the retirement plan and provide practical behavioral finance solutions (not solutions which generate more cost). This forms the basis for recommendations to improve the health of the plan. It also forms the basis for the development of a Strategic Communication and Education Plan. We develop choice architecture, based on our analysis which is designed to improve participant retirement outcomes, and overcome the 3 biggest behavioral finance pitfalls to a secure retirement of inertia, myopia and loss aversion.
- In this context, do you provide an education/communications strategy or an educational policy statement (EPS)  
Yes
- Do you provide retirement plan behavioral audits?  
Yes
- Do you provide behavioral based education?

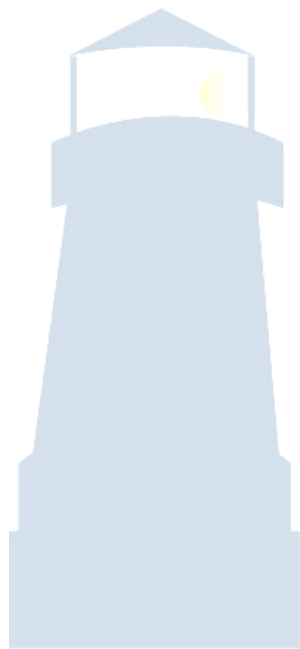
## Retirement Plan Advisor/Consultant Evaluation, cont.

We are able to provide some education as well as assisting the plan in getting the best use of the education available through the service provider selected.

- Explain how you work with service providers for education deliverables. (eg. on site meetings, webinars, intranet deliverables)

We develop a Strategic Communication and Education Plan in cooperation with the plan committee and service provider. This plan is an outgrowth of the findings and recommendations of our behavioral audit on means to improve to participant retirement plan outcomes.

- What type of 1 on 1 do you provide for participants and rollover support. Our LPL Retirement Partners call center assists with all participant questions on rollovers
- Do you provide call center support for rollovers and rollover education? Yes. LPL Retirement Partners.



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