

RETIREMENT PLAN UPDATE

SPECIALIZING IN INVESTMENT MANAGEMENT AND FINANCIAL EDUCATION
FOR RETIREMENT, 401(K) AND PENSION PLAN SPONSORS MARCH/APRIL 2004

Plan Sponsors Enhance 401(k) and Defined Benefit Plans without Switching Providers

The complaints we hear most often about company-sponsored retirement plans are, “We are paying too much for our plan and we haven’t seen a representative in over a year.” Many advisors will tell you that you need to move to a new provider to get better service. This is not necessarily the case. Over 50% of the companies that we work with did not switch providers. Their products were fine but lacked essential services that retirement plans require. These clients pay the same or less than before and are now receiving ongoing employee education and fiduciary monitoring. It comes down to having a good financial advisor who is experienced in working with corporate plans. Advisors for your Defined Contribution or Defined Benefit should be:

- **Committed to on Site Meetings:** Ask your advisor for a written contract stating how many times a year they will visit you to give employee education presentations and meetings to discuss the investment options in the plan.
- **A Specialist in the Corporate Retirement Plan Arena:** Many investment consultants working with company retirement plans do not work with these plans on a day-to-day basis and may not know what is required of them. Rules change constantly and corporate plans have many more obligations and responsibilities than normal investment accounts. Ask your advisor how many plans do they manage and what is their personal experience/education in working with corporate plans. How do they keep up on legislative and product developments?
- **Able to Give Unbiased Advice and Support:** Have someone take an objective look at your plan. Do you really need to convert to get better investment options or help with employee education—probably not. When you do review new programs do you look at one product or several. Ask your advisor what programs he or she can represent and how he gets paid.

If you would like an objective and complimentary review of your retirement plan, give us a call or visit our website at www.omearafinancial.com.

Best Regards,