

RETIREMENT PLAN UPDATE

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

Is Your Company Paying Excessive Fees for its 401(k) Plan?

According to ERISA experts, excessive plan fees may be the next class action litigation focus for retirement plans. Under ERISA, plans can only pay reasonable expenses and fiduciaries are responsible for ensuring that the fees paid are appropriate for the services received. To protect yourself, you may want to take the following steps:

1. Know what the fees are
2. Document your process for analyzing the fees
3. Conclude whether the fees are reasonable
4. Monitor providers' fees going forward

To help with this process, the Department of Labor has a fee spreadsheet that you can use (go to www.dol.gov for more information) or call the O'Meara Financial Group and we can help analyze your fees.

Employees are Overly Optimistic About Retirement

Most employees are too optimistic about the amount of money they will have in retirement. Many employees get an incredible amount of information about their retirement plan at work but do not get much direct help. 70% of respondents to the annual Retirement Confidence Survey were confident that they would enjoy a "comfortable" retirement. However; when questioned further:

- Only 42% of these workers have ever tried to calculate the amount of money they will need for retirement
- 45% of workers had less than \$25,000 in assets (excluding their home)
- 35% of workers expect to get health insurance coverage in retirement from their employers

If you would like more information on this survey or to discuss your specific retirement plan, give us a call or visit our website at www.omearafinancial.com.