



Margaret K. O'Meara, CFP®, AIFA®
President
LPL Registered Representative
157 Broad Street, Suite 313
Red Bank, NJ 07701
Tel: 732.224.9900
Fax: 732.224.9952
momeara@omearafinancial.com
www.omearafinancial.com

RETIREMENT PLAN UPDATE

SPECIALIZING IN INVESTMENT MANAGEMENT AND FINANCIAL EDUCATION
FOR RETIREMENT, 401(K) AND PENSION PLAN SPONSORS SUMMER 2005

“There is a risk that retirees can’t experience first-hand until it’s too late: longevity risk or the chance of outliving their savings.”
--Business Week, July 2003

Five Steps to Improve your Retirement Plan in 2005

Ah, the New Year! Time to review your 401(k), Profit Sharing or Defined Benefit Plan. Listed below are some steps that can help to improve your plan.

1. **Establish an Investment Policy Statement.** This is the basic framework for hiring and firing money managers and investments for the plan. Every plan should have one of these whether employees direct the assets or not.
2. **Review the plan’s fees.** Know what you are paying and compare it to other providers. Only 33% of plan sponsors have even attempted to calculate their fees. Ask your service providers what you are paying. If they don’t tell you or you don’t understand their answer it might be time to get a new vendor.
3. **Analyze the investments in your plan.** Just looking at the investments and the returns are not enough. The investments need to be reviewed according to the variety of criteria listed in the Investment Policy Statement. Consider getting rid of investments that aren’t performing up to expectations.
4. **Communicate the Plan to employees.** You invest a lot of time and money in your company’s retirement program. Make sure employees know the benefits.
5. **Interview alternative vendors.** There are many improvements in investment offerings and technology every year. If you haven’t looked at other programs or investments in the last three to five years look around.

For more information, give us a call or visit our website at www.omearafinancial.com.