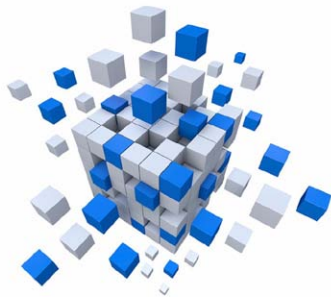


THE  
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ADVISORS ADVANTAGE  
A Publication for Retirement Plan Professionals

## Challenges In 2019 For 401(k) Plan Providers.

It's always a challenge.



Being a retirement plan provider is very challenging and every year presents a new challenge. The retirement plan industry is always in flux and you need to be up to date on what's going on. This article is about challenges in 2019 affecting the retirement plan industry and how you can be ahead of the curve.

To read the article, please click [here](#).

## Out of the box only causes trouble.

It can be an issue.

This is Spinal Tap has the great line that "there is a fine line between being clever and stupid." The same can be said with plan provisions that are what I call: "out of the box." I call it out of the box because it reminds me of the boxes on a prototype plan document and so many times, there are plan provisions that a plan sponsor wants that doesn't fit it.

While a good third party administrator (TPA) can effectively administer these type of provisions, mistakes can happen even with the best of them. For not so good TPAs, it happens more often than not. My suggestion is that if you can, avoid these out of box provisions as much as you can. Sure, there are times when you need those provisions, but I always suggest that you keep them to a minimum. I know plan sponsors may not want to make employer contributions on certain parts of W2 compensation, but I have had a handful of compensation problems for plans that need to be submitted to the Internal Revenue Service Voluntary Compliance Program at the plan sponsor's expense.



The best to avoid trouble is to avoid it and I think a great way is to minimize the use of out of the box provisions that most 401(k) plans don't have.

**Need Auditors who understand the "new**

## way."

**It will make the process better.**



As an ERISA attorney, 3(16) plan administrator, and sponsor of several 401(k) plans that needed an audit completed by October 15 th to file the Form 5500 on-time, I will have to say I've noticed a discrepancy among audit firms.

The discrepancy I see revolves around how technology has changed 401(k) plan and how auditors deal with the technological change. Most audit forms

can deal with the fact that almost all records are now online including the mechanism to approve loans and distributions, some do not. Those audit firms that can't understand the changing times run around like a chicken without a head, spending too much time in complaining to the plan sponsors, the third party administrator, and every other plan providers that they don't have the requisite records for testing and review when everything is easily downloadable from the plan provider website.

October 15 th is a very stressful time for everyone in the retirement plan space, auditors that don't understand the changing 401(k) plan technological environment add more stress to a situation that doesn't need it and the audit firms that do understand the change, are a credit to the plan provider community.

## With Millennials uninterested in retirement, plan providers have a job to do.

**It can be a problem.**

When I was a synagogue Vice President, I was miffed that the main leadership were relics of the past who insisted it was still 1978 and just having our doors open would get new members. I said the synagogue needed to change its approach as younger families didn't see the value in paying synagogue dues.



Similarly, plan providers need to understand that just providing 401(k) plan services isn't enough. They need to connect with millennials because there seems to be a lack of interest for these employees to get involved in a 401(k) plan. Navient's Money Under 35 study states that 40% of millennials think they can wait on saving for retirement. To me, it shows a lack of connection between retirement plan providers and a growing sector of the audience that 401(k) plans serve. I believe that unless this is fixed, we are going to have a negative outflow when the baby boomers and people from my generation retire because these are the people who are saving in 401(k) plans these days.

Like the Y2K problem, this is a long-term problem that can be solved with more effective communication with millennials about the necessity of retirement savings.

## How you treat employees can say a lot about you.

It shows the world what you're made of.



I recently met an executive through LinkedIn and we are an absolute gentleman and really could teach me a thing or two about social media. I later found out that this executive was terminated by a company that I've been a customer for many years (it's not in the retirement plan industry).

Someone advised me that the executive was terminated during his vacation, his

office belongings were packed away and he only was aware of his termination when he got back. Davey Johnson, former Mets manager was asked by a talk show caller once: "whether you're hired to be fired?" Maybe you are, but how you treat your employees can say a lot about you. Maybe waiting for this executive to come back from vacation and let him pack up his belongings is the way to go.

You need to treat employees as the human beings they are. They have feelings, they have needs, and you need to manage that effectively. Otherwise, you'll have a revolving door and that's not good for business.

If word gets out how badly you treat employees, word gets out. I remember word got out about how a retirement plan provider terminated a salesperson when they were ill. There are countless stories out there like it and if you terminate a top employee for being sick, what does it say about the other plan providers you do business with? They're seeing how you treat your employees and wonder how you'll treat them.

I always have a mantra: "don't be the a\*\*hole." If it makes you look bad, avoid it.

## Lots of stops for That 401(k) Conference in 2019.

Registration for Los Angeles St. Petersburg is open.



Thanks to the interest of advisors and plan providers, I have already some dates for That 401(k) Conference in 2019.

The first edition for 2019 will emanate from Dodger Stadium in Los Angeles on Friday, February 22, 2019 from 9am to 2pm. As always, \$100 gets you 4 hours of content to grow

your advisory business, lunch, a Dodger Stadium tour and a meet and greet with Dodger great Steve Garvey,

These events are so fun, we have advisors from around the country to



fly in. The cost and the experience can not be beat.

Room and sponsorships from interested plan providers are still available. Information on sponsorships can be found [here](#). Sponsorships start as low as \$500.

Registration for the event is located [here](#), where you can pay by PayPal.

Next scheduled is That 401(k) Conference from Tropicana Field in St. Petersburg, Florida, on Thursday, March 7, 2019.

Sign up for the event and pay by credit card at this [link](#).

The next day will be the first That 401(k) Plan Sponsor Forum, which is geared towards plan sponsors. Same place, but on Friday, March 8, 2019.

Next will be That 401(k) Conference in Atlanta on Friday, April 12, 2019. At this event at Sun Trust Bank, attendees get a free ticket to that Braves game vs. the Mets.



Last scheduled so far s That

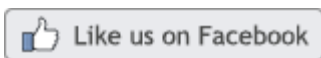


401(k) Conference at Kaufmann Stadium in Kansas City on Friday, May 3, 2019 with a game outing the night before when the Royals take on the Tampa Bay Rays.

For information on the events, as well as sponsorship opportunities, please email [me](#) .

If you can't make these events, there will be other events in 2019. I'm currently working on Los Angeles, Denver, and Cleveland as potential sites.

If you are interested in sponsoring those events or want That 401(k) Conference in your neck of the woods, please email [me](#).



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