

# HICKS NOTES

**NH HICKS** Experience Counts

Legal and Pension Consultants  
(800) 310-4975 | [www.nhhicks.com](http://www.nhhicks.com)

August 2012

By Tom Hicks, Attorney At Law

## A GOOD TPA DOES MATTER

A TPA can make or break a relationship between an advisor and their clients. Have you had to answer for unreturned phone calls, turnover, or inaccurate work caused by your TPA? Are you getting the information you need and updates on the constantly changing regulations? Does your TPA have a compliance division and an attorney on staff?

The way a TPA acts is important and choosing a firm with the expertise to handle the work accurately, timely and friendly makes all the difference for everyone involved. With HICKS, you can be assured that all aspects of your plan administration, compliance and reporting requirements are handled accurately and timely so you can concentrate on your business.

We are constantly updating our website with the latest information, regulations and trends in the industry. You'll find under **Disclosure** articles, samples and governmental rulings. Under **Resources**, we have important links including investment companies, and the IRS and DOL websites. Everything you need is somewhere on our website, and we have the expertise to explain what it means. Quick links are below.

**Disclosure**

**Resources**

Our monthly newsletters are designed to keep you up-to-date on deadlines, and trends in the retirement plan industry.

Our consultants, Kevin Evans, Matt Rath and Tom Hicks, Attorney-at-Law are available to meet with you. We look forward to hearing from you and hope to be working with you soon. Click below to send an email.

**Kevin Evans**

**Matt Rath**

**Tom Hicks**

## FALL SEMINARS

Do you plan on attending one of our seminars? We will be discussing the new disclosure regulations along with other popular subjects in our industry. We will give you the tools to succeed in today's business market.

## PARTICIPANT DISCLOSURE DEADLINE APPROACHES

The second part of the new disclosure regulations, 404(a)(5), requires Plan Sponsors to disclose to participants by August 31, 2012 information regarding the investments and fees they pay in their self-directed 401(K) plan. This report must include fees they are paying, what investments are available, their ability to change and invest in the available funds, and a comparison of the investment returns against broad based market returns.

Thereafter, each quarter, the participant must be given information on fees and expenses charged to their accounts. The various investment companies will be providing Plan Sponsors templates and the required information to forward to the participants.

These regulations are to give employees the information they need to make informed decisions regarding their investment choices. Below, we've provided a link to our website that provides 404 articles, rulings and other information to help you understand and comply with these regulations.

### **404(a)(5) Disclosure**

For Financial Professionals working in this market, costs and returns will now be an important selling point. Knowing how much is reasonable and the alternatives out there, will keep you on top in this competitive market. By benchmarking various investment providers, you will be better informed on what is the best option for your current and prospective clients.

There is more to investments than fees. A discussion of service and returns is important. Does the investment company provide enrollees website access, phone numbers and financial planning information? How do your real net returns compare? Wouldn't most people pay a little more in fees for a better net return? I believe this fee disclosure is only part of the story. We'll have to wait and see how the market reacts to these new regulations.

**Have a question or  
need more information, click here**