

# HICKS NOTES

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## MARKETING SEASON IS UPON US. HERE'S WHAT YOU NEEDED TO KNOW

A majority of new plans are sold in the fall and winter of each year. Now is the time to prepare and market for new Retirement Plan clients. Finding the proper niche will help you bring added value and gain more clients. This month's newsletter will provide ideas and areas of retirement plan opportunities for you to review and help you get more clients.

**NEW PLANS:** As the economy improves, many small businesses are having a good year and may need a new plan. A new Safe Harbor 401(k) plan, switching from a SEP to a 401(k) plan, or adding a Defined Benefit (DB) or Cash Balance plan will allow additional contributions and tax savings for your clients. The best way to go after new plans is to contact all your existing business clients and ask how their year is going. Is there new growth and profits or are they the same? By "ASKING THE QUESTION", you will open a dialog for new opportunities for these clients.

The deadline for new Safe Harbor 401(k) plans is **October 1st**, so now is the time to explore this plan type. You can offer to have a proposal prepared, free of charge, so clients will see what is available to them for this year. Click here for our [proposal request form](#).

The deadline to adopt a new Defined Benefit and other non-safe harbor plan is **December 31st**, so now is the time to start planning. It is also a great time to talk about starting a new 401(k) for 2018 for those that may be growing and are ready to offer additional employee benefits for next year.

**TAKEOVER PLANS:** There are few ways to go after this business. By asking the question "DO YOU HAVE AN EXISTING PLAN?", you can explore areas in need of improvement. A few basic [areas for retirement plan review](#) are:

- **Plan Administration Services and Fees,**
- **Plan Design Changes to Improve Benefits,**
- **Fiduciary Reviews, and**
- **Investment Returns and Services.**

As for **Plan Administration Services and Fees**, there are many types of plan administrators and bundled providers servicing retirement plans. Some have great sales people, but not the staff to provide the necessary support, problem solving and administrative services. Many payroll companies are setting up substandard plan designs with poor administrative support. Because most of these companies keep the records on their internet portals, getting information and moving administration is quite simple. Here is a [sample letter](#) that can be sent to terminate services and we will do the rest.

Simply ask the following questions: Are calls being answered timely? Is the turnaround timely and accurate? Are fees paid from the trust to the TPA offsetting their fees? Any of these areas make the plan potentially ready for takeover as these providers are giving horrible service for excessive fees. Bundled providers are ripe for the picking in the administrative services area.

In the **Plan Design** area, remember that businesses change. They grow and shrink while incomes rise and fall. By asking and reviewing the plan design of each client, there is an opportunity to bring value and better outcomes for these clients. We are constantly adding a new Defined Benefit plan for a profitable company, or removing a safe harbor contribution while a company is struggling. Too many administrators set it plan design and forget it. They don't look past what's in front of them and fail to understand their client's business and its' employee make-up. By offering a plan review, opportunities will present themselves for new business.

**Fiduciary Review** is an area ripe for the picking. The new regulations have created a certain amount of chaos in the small plan market. By [understanding these new regulations](#) and how to take advantage of working in your client's best interest, new clients may be gained. We have seen many wealth managers and others simply get out of the business, as they feel the risk is too great for the income derived. These clients need help with their small 401(k) plans and that can lead to great business. Fees are always an issue as many advisors have been taking the money and not reviewing the current competitive market for investment choices and services. By gaining knowledge in this area, you gain an advantage when talking to the trustees of these plans.

As for areas of **Investment Returns and Fees**, a plan sponsor should review, benchmark, and document this at least annually. If the client has not reviewed their returns and choices for a few years, here is your opening. We are seeing people losing business as the new advisors are simply giving clients a better class share and lower fees. In addition, enrollment and education meetings should be held for the employees to increase understanding and participation while protecting the trustees from fiduciary liability.

**LEARN MORE:** This newsletter has barely scratched the surface of the strategies and techniques for success in this market. Spend a few minutes exploring our website for all types of retirement plan information. Or even better, join us for a 45 minute [sales webinar](#) on September 7th and learn how to market these plans for this year. As always, we are here for questions and concerns.