

# HICKS NOTES

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## THE COBLERS CHILDREN HAVE NO SHOES

We have all heard the proverb or some variation of it. I had my “Cobbler” moment yesterday morning. My Financial Planner was in my office meeting with a mutual client. After the meeting, one of my staff asked if we could review our current 401(k) investment choices. It seems our investment company was now charging a quarterly administrative fee being deducted out of each participants account. I had no idea and am not even sure when this started. For some of my staff, this represents a large percentage of their total account.

Was I ever sent notice of this change to our account? I don't remember ever seeing it. I have spent countless words imploring people to do a fiduciary review at least annually. REVIEW, BENCHMARK AND DOCUMENT is my mantra. Yet in my own plan with my own participants, I had failed my duty without even realizing it.

I have known my financial planner for over 20 years. He is a good and honest man with his clients' best interests at heart. He meets with me and my staff at least once a year and has handled our plan, and some of our clients plans, professionally, honestly and fairly. He knew about the fee change, yet failed to notify us or recommend a change. While as trustee, I am ultimately responsible for the plan, I can't help but feel let down by not finding this out sooner. How long would it have gone on had not one of my staff brought it up to us?

I am telling this story as a warning and a lesson to all of those involved in retirement plans. Be proactive. A good Financial Planner should force these annual reviews and be aware when fees have changed in the products they are offering. Look for better alternatives as plans grow or shrink in size. Know your clients and be constantly looking at alternatives that may better suit them.

Trustees need to question their Financial Planners and demand these reviews be done annually and documented. It's not enough to set it and forget it for anybody working with these plans. For more on what these reviews should entail, click [here](#).

**Bottom line:** Our clients, trustees and participants deserve better. Let us, as those who work with these plans, provide it!