

HICKS NOTES

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NOW IS THE TIME TO MARKET FOR RETIREMENT PLAN BUSINESS

Marketing for retirement plan business is a great way to expand and grow your client and asset base. You do not need to be an expert in this area. If you position yourself as the clients' "quarterback", who brings in the experts who provide the best services and solutions to fill your clients' needs. Knowing and using the available resources from Investment Providers, Third Party Administrators and others will give you the upper hand in this market niche. Know each advisor's role by [clicking here](#).

While the initial set up of new plans requires work, where else can you get in front of every employee in a small business? All plans have ancillary needs and by bringing educational value, you have an opportunity to pick up additional clients and business.

In addition, retirement plan knowledge allows you to play defense on your existing clients. If you do not offer these services, your competitors will.

By knowing the hot button issues, you will be ready to compete in this arena. Here are a few:

TAX PLAN vs EMPLOYEE BENEFIT

Why does this employer want or have a plan? Generally, the larger the employer, the more the plan operates as a true employee benefit. Talking about auto enrollment, employee education, fees, fiduciary issues, and their outcomes will be more effective in obtaining large plan business.

For smaller employers, owners are generally more concerned with tax savings and the cost for employees. For these prospects we use a marginal dollar analysis to maximize the return for the employer. Having a basic understanding of plan design and how to read and use [proposals](#) is what's needed to capture this business.

NEW REGULATIONS PRESENT OPPORTUNITIES

There are constant changes in our industry and understanding new rules as they arise present marketing opportunities. Currently, we are in the middle of an IRS required PLAN RESTATEMENT period for defined contribution plans. All defined contribution plans must be restated and adopted by July 31, 2022. This is the perfect opportunity to review and redesign making any necessary adjustment. Can you bring a reasonably priced solution? We are charging under \$1,000 while others are charging much more. For more info on Cycle 3 restatements, [click here](#).

NEW PLAN SET UP DEADLINES

The SECURE Act made changes impacting the adoption and amendment of retirement plans for 2020 and beyond. New defined benefit and profit sharing plans can still be set up for 2020 until the due date of the employer's 2020 tax return plus extensions. All plan types can be added for 2021. However, a new 401(k) safe harbor plan needs to be established by October 1st to get the benefits for this year. For more on these and other deadlines, [click here](#).

MEPS and PEPS are a new way of doing business. Will these solutions make sense or are they fraught with liability and sub standard plan design and service? By understanding these arrangements and their pros and cons, you will be able to recommend an appropriate solution for your emerging prospects.

In addition, understanding the value and issues in bundled versus unbundled approaches are necessary to operate in this market.

AREAS OF REVIEW

Finally, having a general understanding of the Areas of Review that all plans need can lead you to areas that need attention. A client may be getting bad service, overpaying fees, have a bad plan design, using subpar investments or exposing themselves to fiduciary liability. By illuminating these areas, you can bring solutions and get that business. Here is a [checklist](#) that will help in this endeavor.

While we have only scratched the surface of how to market employer retirement plans, we will be providing a free one-hour marketing webinar next month where we will thoroughly discuss how to get more business.

If you want to expand your business, [click here](#) to view the agenda and register for our sales webinar. We hope you join us!