

March 9, 2023

By Tom Hicks, Attorney At Law

ARE YOU SATISFIED WITH YOUR TPA

Are you satisfied with the services your current TPA is providing you? Are you waiting for your 2022 contribution calculation? Did your plan document get restatement timely for Cycle 3 (Post PPA)? At NH Hicks we pride ourselves in providing exemplary service from our staff of administrators with over 250 years of combined experience.

What is a TPA? Your TPA is responsible for plan design, documents, compliance, and government reporting. We are important because we are the first line of defense against the Department of Labor and the IRS. By reviewing plans, running proposals with plan design alternatives, and working with the Financial Advisors and Accountants, we create plans that best fit the company.

Top Reasons for Leaving Your Third Party Administrator

- Unreasonable Fees - You need to be able to justify the fees for the services you are provided. You can shop the plan or use a benchmarking service to ensure you are paying the appropriate amount for services performed.
- Too Many Errors - You're dependent on your TPA for processing transactions, allocating contributions, completing compliance testing, and preparing Form 5500. If your current TPA isn't doing their job, it's your problem. The IRS, DOL, and others will hold you responsible because you are the Plan Sponsor.
- Turnover - A TPA's level of service should be consistent and competent. When contacts frequently change, it could be a sign of larger issues within their company.
- Reactive, not Proactive - Good TPAs are proactive, bad TPAs are reactive. There are many ways to improve a plan or save money for the owner. It's our job to provide these options, not wait for the owner to ask if improvements can be implemented.
- Poor communication - Some TPAs believe that communicating once a year is enough to properly service your plan. Your TPA needs to be available to you. It could be to inform you of future deadlines or to fulfill notice requirements. If you don't hear from them regularly, it's time to make a change.

Our Services. If you need a new TPA, review our takeover and annual administration services here.

Takeover of the existing plan is done at no expense to the Client. We perform these services:

- Review their current plan documents to ensure all amendments have been adopted timely and prepare a summary of the major plan provisions,
- Prepare proposals recommending any change to plan design,
- Reconcile assets in trust to benefits, and
- Compare assets and accounts to the Form 5500-SF.

Annual administration services include, but are not limited to:

- The reconciliation of employee census and investment statements,
- Performing all necessary discrimination tests,
- Calculating and allocating all contributions, earnings, and applicable forfeitures,
- Preparation of reports for client and participants, and
- All governmental required forms and participant disclosures.

401(k) Fees

Takeover of Existing Plans	No Charge
Annual Administration	
Base Fees	\$1,450
Per Participant Fee	\$30

There are different annual administration fees covering owner-only plans, defined benefit plans and combination plans. Our complete fee schedule is [here](#). If you would like a proposal, please contact Debbie Rath at drath@nhhicks.com.

Please note that our fees are offset by all third-party payments we received from investment companies. Is your current TPA offsetting your fees?

What Our Review May Uncover. Often during the conversion process, we may discover errors that include missed plan document amendments and/or restatements, unfiled 5500 forms and administrative procedures not done per their document.

Conclusion. Our experienced team is here to help make sure your plan follows governmental guidelines. Now is the time to make a change. Contact our team to see how we can not only improve your plan design but also save your clients money.

The Marketing Team at NH Hicks

Marketing Team

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