

How To Build A Successful Retirement Plan Business

WEBINAR BOOKLET

May 20, 2025

NH HICKS

LEGAL AND PENSION CONSULTANTS

People Matter & Experience Counts

BUILD A SUCCESSFUL RETIREMENT PLAN BUSINESS BOOKLET

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NH HICKS
Legal and Pension Consultants
www.nhhicks.com

Our Services

Installation fee is a one-time fee to establish the plans. We prepare all documents including:

- Proposal recommending different plan designs (All proposals are prepared at no cost),
- Plan and Trust Documents and Loan Policy,
- Required employee booklets Summary Plan Description, and
- Administration Manual with the forms and procedures necessary to administer the plan

Annual administration services include, but are not limited to:

- The reconciliation of employee census and investments 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.

Our Firm

NH HICKS is fee only, third party pension administration and consulting firm that does not handle any investments or insurance. Founded in 1992, our company administers over 1,000 qualified retirement plans primarily throughout California, Washington, Oregon, Colorado, Utah, and Idaho.

We provide plan document installation, consultation, contribution calculations, compliance testing, and IRS and DOL reporting for qualified retirement. We have developed a unique administration system that is designed to ensure superior quality while keeping costs competitive. Each client is assigned an administrator and a consultant. Our administrators have over 250 years of combined experience. The administrator handles all day-to-day concerns, while the consultant is available for working with the client and advisors to ensure each plan design is the best fit for the company's needs.

We value our client relationships and provide experienced personal service dedicated to your needs and concerns. If you have any questions, please contact us.

Respectfully,

Chris Ressa
Consultant

Build A Successful Retirement Plan Business

WEBINAR AGENDA

1. Why Sell Retirement Plans
2. Small Plan Market Opportunity
3. How To Win & Retain Business Retirement Plans
4. Warning – Proper Set Up Is Required
5. Decision On Best Investment Provider
6. Why Partner With A TPA
7. Advisor Value Proposition
8. Evaluating Recordkeeper Partners
9. Efficient & Effective Plan Reviews
10. Insights From Recent Retirement Plan Litigation



[DATA & RESEARCH](#) January 9, 2025

Micro-401(k) Plan Market Ripe for Non-Specialist Adviser Growth

The market for 401(k) plans with less than \$5 million in assets is poised to hit 1 million plans by the end of the decade, with wealth advisers poised to capitalize, according to Cerulli.

Cerulli Associates sees the micro-plan 401(k) market—those with less than \$5 million in assets—will rise to more than 1 million plans by about 2029, driven in part by state mandates and federal tax incentives, according to a [retirement markets](#) report it released Thursday.

That figure would be growth of 66% from more than 600,000 plans at the end of 2023, according to the Boston-based consultancy's retirement analysts. Non-specialist wealth advisers, in particular, may particularly benefit because they will "capitalize on existing relationships with small business owners to sell retirement plans to these clients," according to the consultancy.

Never miss a story — sign up for PLANADVISER newsletters to keep up on the latest retirement plan adviser news. [α](#)

According to Cerulli's surveying of defined contribution recordkeepers, 83% see the percentage of non-specialist retirement plan advisers who sell plans with their firm as likely to increase over the next three years. Once those plans are booked, the advisers may then have a chance for new wealth management clients from the participant pool.

"The growth of the micro 401(k) market will further the ongoing convergence of the wealth management and DC plan markets," Cerulli research analyst Elizabeth Chiffer said in the report.

Small businesses in [numerous U.S. states](#) have to offer a retirement plan to employees or face fines. Others may want to take advantage of tax incentives created by the SECURE 2.0 Act of 2022.

But even without those factors, 72% of employers surveyed by Cerulli strongly agreed or agreed that retirement benefits are an “effective employee recruitment and retention tool.” Another 75% strongly agreed or agreed that they use the plan offering as a recruiting tool when trying to hire top talent.

Rollover Competition

Beyond the micro-plans, Cerulli sees plan advisers of all types continuing to drive retirement plan business to recordkeepers.

But the relationship can be a double-edged sword, with advisers who bring them business later seeking to manage 401(k) rollovers from the participant pools that DC recordkeepers may hope to manage themselves.

About half (48%) of DC recordkeepers indicated that they share only “some” rollover business and participant service offerings with advisers, and 29% retain all rollover business and services.

Rollovers are another area [poised for continued growth](#) as the wave of Baby Boomers continue to reach retirement and consider options for their workplace savings.

“We expect that recordkeepers will continue to develop clearer lines of separation with advisers and execute agreements about data sharing, financial wellness, and rollover business to help navigate this potentially competitive environment,” Chiffer said.

Retirement Income

Beyond driving overall plan growth, plan advisers and even non-specialists will also play a role in what types of retirement income solutions are made available via plans. There has been a boom in new types of guaranteed income investments for DC plans in recent years, particularly those that include annuitization options.

According to Cerulli’s surveying, many of these new products are gaining traction among DC recordkeepers.

As of the surveying from late 2024, 46% of recordkeepers offer an investment product with an annuitization component. A larger 70% offer a management account with a decumulation function—which may often include an annuity—and 43% offer a “dynamic”

investment that flips a participant from a target-date fund into a managed account later in their career.

That said, there are non-annuity options with significant market share: 65% of recordkeepers offer a TDF with a retirement income vintage not including an annuity.

Cerulli did its own research with plan sponsors and advisers over different periods of time, and its DC recordkeeper information was done in partnership with the Society of Professional Asset-Managers and Record Keepers Institute, a retirement sector advocacy organization.

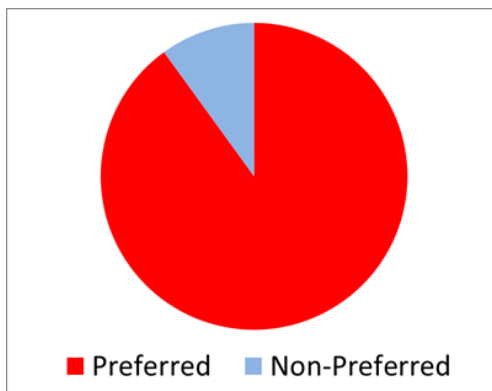
TABLE OF VARIOUS LIMITS AND THRESHOLDS

	2024	2025
<u>COMPENSATION LIMIT</u> - <i>plan year beginning</i>	345,000	350,000
<u>DC ANNUAL ADDITION LIMIT</u> - <i>plan year ending</i>	69,000	70,000
<u>401(k) DEFERRAL LIMIT</u> - <i>calendar not plan year</i>	23,000	23,500
<u>CATCH-UP DEFERRAL LIMIT</u> - <i>calendar not plan year</i>	7,500	7,500
<u>CATCH-UP LIMIT AGES 60 to 63</u> - <i>calendar not plan year</i>	N/A	11,250
<u>DB ANNUAL BENEFIT LIMIT</u>	275,000	280,000
<u>HIGHLY COMPENSATED EMPLOYEE</u>		
<i>Employee is considered highly compensated if owner in current or prior plan year. Compensation definition required to be met in prior plan year.</i>		
1) Over 5% owner		
2) Any employee (may limit to top 20%)	155,000	160,000
3) Spouse or linear relation		
<u>KEY EMPLOYEE</u>		
<i>Employee is considered key if meets definition in current plan year.</i>		
1) Over 5% owner		
2) Over 1% owner	150,000	150,000
3) Officer (count at least 1)	220,000	230,000
4) Spouse or linear relation		
<u>TAXABLE WAGE BASE</u>	168,600	176,100

Illustration - 2025 401(k) PS 3% SHNEC

Participant Name	Age	Pay	Elective Deferral	Safe Harbor	%	Profit Sharing	%	Total
Preferred								
Owner	40	\$41,600.00	\$23,500.00	\$0.00	0.00%	\$3,016.00	7.25%	\$26,516.00
Preferred - Total		\$41,600.00	\$23,500.00	\$0.00		\$3,016.00		\$26,516.00
Non-Preferred								
EE 1	43	\$24,024.00	\$0	\$720.72	3.00%	\$0.00	0.00%	\$720.72
EE 2	29	\$31,300.00	\$0	\$939.00	3.00%	\$0.00	0.00%	\$939.00
EE 3	22	\$24,024.00	\$0	\$720.72	3.00%	\$0.00	0.00%	\$720.72
EE 4	30	\$24,024.00	\$0	\$720.72	3.00%	\$0.00	0.00%	\$720.72
Non-Preferred - Total		\$103,372.00	\$0	\$3,101.16		\$0.00		\$3,101.16

Net Allocations to Preferred – 89.5%



Analysis of Net Economic Benefit

1. Employer's Combined Marginal Tax Rate:	35.00%
2. Total Deductible Employer Contribution:	\$29,617.16
3. Tax Benefit (1x2) :	\$10,366.01
4. After Tax Cost of Contribution (2-3) :	\$19,251.15
5. Total Allocations to Preferred:	\$26,516.00
6. Net Economic Benefit Cost (5-4) :	\$7,264.85

- **Contribution Summary:** The **total employer cost would be \$29,617 with \$26,516 (89.5%) allocated to Owner**, and an employer contribution of \$3,101 (10.5%) allocated to employees.
- Shalini is shown deferring the 2025 maximum deferral of \$23,500 with an employer profit sharing contribution of \$3,016 (7.25% of \$41,600) to get her to a total contribution of \$26,516. This non-elective 3% can be included in the company's employee compensation package.
- All participants will receive a Safe Harbor Non-elective Contribution of 3% compensation. This contribution is **not dependent upon the participants deferring** any of their own compensation.
- This plan is designed with a "Safe Harbor" Non-elective Contribution, which will enable the plan to automatically pass non-discrimination tests. This will allow the Owner to contribute the maximum 401(k) deferral, and the plan will still pass all non-discrimination tests.
- The employer Safe Harbor Non-elective Contribution is required to be immediately 100% vested.

Fees

401(k) Plan

Installation of 401(k) Plan

Plan Document, Forms, and SPD	\$1,250
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Annual Administration

Base Fee	\$1,450
Per Participant Fee (6 @ \$30)	<u>\$180</u>
	\$1,630

Scheduled 2026-28 IRS DC Document Restatement (approximate 6-year cycle) \$1,000

Service Fee Payment Options For Annual Administration & Restatements

- Annual Invoicing with approximately every 6 years a restatement fee: \$1,630 with restatement fee \$1,000
- Semi-annual (1/15 & 7/15) automatic ACH of annual administration plus restatement fee: \$900
- Monthly (starting in January) automatic ACH of annual administration plus restatement fee: \$150

There are a couple of ways your fees might be reduced.

1. It is our policy here at NH Hicks to **apply all third-party payments up to our annual administration fees** we receive from investment companies to reduce our client's fees.
2. Employers can now take advantage of new tax credits to help offset the costs of starting a retirement plan. The **Startup Tax Credit** covers 100% of qualified startup expenses incurred in the first year, and in each of the following two tax years, for plan setup, employee education, and administration. For this plan, the estimated 2025 Startup Tax Credit would be \$1,000 (4 NHCE x \$250) per year for 3 years. Additionally, the **2025 Employer Contribution Tax Credit** would be estimated at \$4,000 (4 x \$1,000) or less depending on employer contributions to employees for the first year, with subsequent years being \$3,000, \$2,000, and \$1,000. This employer contribution tax credit is applied to NHCE employees earning less than \$100,000. If **Automatic Enrollment** provision is selected an additional credit of \$500 per year for the first three years will be available.

New Plan Steps

Here are the steps to install a new retirement plan.

1. Authorization Form sent to client.
2. Client to review and sign authorization form, then return to us by email, secure link, or fax.
3. We prepare plan documents including form SS-4 (Application for Employer Identification Number) for the plan's trust.
4. We send to the client all documents and administrative procedures.
5. The client signs the necessary pages and returns them to us.

We appreciate this opportunity to offer our services.

Respectfully submitted,

Chris Ressa

Consultant

Fiduciary Plan Review Checklist

For 401(k) or other qualified retirement plans

1. Plan Governance

- ☐ Review and document fiduciary committee members and roles.
- ☐ Ensure fiduciary training has been provided and documented.
- ☐ Review the plan's Investment Policy Statement (IPS) – is it current and being followed?
- ☐ Maintain minutes for all committee meetings.
- ☐ Confirm ERISA bond coverage is adequate.

2. Plan Investments

- ☐ Evaluate performance of each investment option against benchmarks and peer groups.
- ☐ Monitor fund expenses and share classes.
- ☐ Replace or watchlist underperforming funds (based on IPS criteria).
- ☐ Review the Qualified Default Investment Alternative (QDIA).
- ☐ Confirm ESG-related investments (if applicable) meet fiduciary standards.

3. Plan Fees & Providers

- ☐ Review all plan-related fees (investment, recordkeeping, advisory, etc.).
- ☐ Benchmark fees for reasonableness.
- ☐ Confirm transparency of fee disclosures (408(b)(2), 404(a)(5)).
- ☐ Review service provider performance and any changes in services or contracts.
- ☐ Consider requesting fee quotes or conducting an RFP if fees are high or service is lacking.

4. Plan Design & Operations

- ☐ Present annual compliance testing results and discuss implications.
- ☐ Review plan design and features (e.g., eligibility, auto-enrollment, match formulas).
- ☐ Check for any plan amendments or legal updates needed.
- ☐ Ensure operational compliance with plan document and IRS/DOL rules.
- ☐ Confirm timely deposit of employee contributions.
- ☐ Review participant loans, distributions, and hardship withdrawal processes.

5. Participant Outcomes & Education

- ☐ Review plan participation rate and savings rates.
- ☐ Monitor use of target-date funds or managed accounts.
- ☐ Evaluate effectiveness of education and communication efforts.
- ☐ Confirm access to retirement planning tools or advice.
- ☐ Survey or engage with participants to assess understanding and satisfaction.

6. Compliance & Risk Management

- ☐ Confirm annual filings (e.g., Form 5500) are complete and accurate.
- ☐ Review audit findings (if applicable).
- ☐ Check for any operational errors or corrections needed.
- ☐ Monitor cybersecurity practices of the plan and its vendors.
- ☐ Document all fiduciary decisions and maintain a prudent process.



Plan Set Up Deadlines

Adding a New Profit-Sharing Plan (Partnership & S-Corp) for 2024

- Deadline: September 15, 2025

Adding a New Profit-Sharing Plan (C-Corp) for 2024

- Deadline: October 15, 2025

Adding a New Defined Benefit Plan for 2024

- Deadline: September 15, 2025

Adding a New 401(k) Plan for Sole Proprietor for 2024

- Deadline: October 15, 2025

New Safe Harbor 401(k) Plan for 2025

- Deadline: October 1, 2025 (At Least 3 Months in Calendar Year)

Adding a Safe Harbor Match 401(k) Plan for January 1, 2026

- Employees 30-day notice requirement
- Plan document by December 31, 2025

PROPOSAL REQUEST

Today's Date: _____

Requested by: _____

Proposal for Plan Year: _____

Phone number: _____

This is for a: ☐ New Plan ☐ Takeover Plan

Email: _____

Client Profile:

Company Name: _____

Contact: _____

Phone: _____

Address: _____

Date Business Commenced: _____

Fiscal Yearend: _____

Type of Entity: ☐ C-Corp ☐ S-Corp ☐ Partnership ☐ Not-for-profit ☐ Sole Proprietor

☐ LLC (taxed as ☐ Corp/ ☐ Partnership) ☐ Other: _____

Primary business is _____

List owners, officers and ownership percentage:

Name:	% Owned	Name	% Owned
_____	_____	_____	_____
_____	_____	_____	_____

(If any of the above own an interest in another company, please indicate with an *)

Does the employer currently have a plan? ☐ No ☐ Yes Specify: _____

Additional comments about plan: _____

Are they interested in a specific plan? ☐ No ☐ Yes Specify: _____

Employer wishes to contribute approximately: \$ _____ per year.

The primary objective of the plan is (rate by importance 1-4, with 1 being first priority)

___ Tax Deduction ___ Employee Attraction/Retention ___ Employee Incentive ___ Creditor Protection

Are there other desires or concerns? Please explain: _____

The completed forms can be given to your consultant or sent to Chris Ressa at
cressa@nhhicks.com or FAX (530) 226-0272.

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CENSUS DATA FOR PROPOSAL PREFERRED IN EXCEL FORMAT

Company: _____ **Contact:** _____
Phone: _____ **Entity:** _____ **Year End:** _____

If you are requesting a Defined Benefit proposal, see note below for additional information needed.

Owners & Employees	Birth Date	Hire Date	Total Annual Compensation	Annual Salary Deferral	1,000 Hours in Any Year	Term Date	Owner %, Officer, Family
Totals							

Note: If requesting a proposal for a Defined Benefit Plan, also provide us with the owners' compensations for the 3 prior calendar years. Compensation is W-2 for C and S-Corporations, Schedule C Net-Income for Sole Proprietor and K-1 Net-income for Partnership.

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FEES FOR SERVICES

401(k) Profit Sharing Plans:

Installation/Documents (takeover no charge)	\$1250
Administration	\$1450 + \$30 per eligible participant

Defined Benefit Plans:

Installation/Documents (contact for takeover fees)	\$1550
Administration including actuarial certification	\$2600 + \$50 per eligible participant

DB/DC Combination Plans*:

Installation/Documents (contact for takeover fees)	\$2900
Administration including actuarial certification	\$3850 + \$50 per eligible participant

*Additional Fees will be added for the administration of Cash Balance Plans

Owner Only –401(k):

Installation/Documents (takeover no charge)	\$550
Administration (assets less than \$250,000)	\$300
Administration (assets \$250,000 and more)	\$750

Owner Only – Defined Benefit Plan:

Installation/Documents (contact for takeover fees)	\$1500
Administration including actuarial certification	\$2100

Owner Only – DB/DC Combination Plans:

Installation/Documents (contact for takeover fees)	\$1900
Administration including actuarial certification	\$2500

Special Transactions:

Defined Contribution Plans

Comparability allocation (multiple runs)	\$250
Trust accounting, 5500 audit consulting or IRS Correspondence	\$125 per hour
Distributions, Loans or extensions (annual loan \$35)	\$125
Amendments (Cares, Secure 1.0 & Secure 2.0 Acts)	\$125
QDRO or RMD	\$225
Rush Fees after 9/1 for calendar year plans	\$250`

Defined Benefit Plans

PBGC Reporting	\$225
Trust accounting, 5500 audit consulting or IRS Correspondence	\$125 per hour
Distributions or amendments	\$225
Loans (annual loan \$35) or Extensions	\$125
Rush Fees after 9/1 for calendar year plans	\$250
Cycle 3 Document Restatement	\$1200