



The EJReynolds Compliance Review

Is your 401(k) operating up to today's standards?

Answering the following questions can help quickly and easily determine what's important for your plan as well as help clarify what business objectives should be considered. Rank items based on current plan description, where 5 "describes the plan completely" and 1 "does not describe it at all".

PLAN DESIGN

- Our last plan document review was performed at least 12 to 18 months ago, changes were implemented. _____
- Our plan has not failed any of the required compliance testing in the past. _____
- We maximize benefits for owners and other key employees. _____
- Our plan allows us to attract and retain key employees and remain competitive. _____
- The plan document allows participants to make after tax (Roth) contributions to their accounts. _____
- Our plan design helps maximize tax deferral and allows us to allocate more money towards retirement benefits and reduce taxes. _____

PLAN FEES AND EXPENSES

- We are made aware of new plan design options on a timely basis (Safe Harbor, Cross Testing, Roth, Catch-up, etc.). _____
- Our plan related testing and Form 5500 governmental reporting is always done on a timely basis. _____
- Administration of our qualified retirement plan does not currently demand too much of our time. _____
- The system currently in place for administering loans/distributions does not need improvement. _____
- We currently offer self-service features to help participants manage their own retirement accounts. _____
- We have written agreements in place with all plan service providers outlining the services they will perform and the specific fee for each service. _____
- We know how much we're paying in administrative fees and conduct periodic reviews. _____
- We are confident that the investment based expenses we're paying are reasonable compared to plans of similar demographics. _____

INVESTMENT PORTFOLIO

- We maintain a formal participant education program. _____
- We conduct and document annual reviews of the education program. _____
- We have regularly scheduled participant enrollment and education meetings. _____
- We have enough employees participating in the plan. _____
- The percentage of compensation our employees are contributing to their retirement accounts is excellent. _____
- Our plan offers a feature that guarantees a source of income for life. _____
- Our plan participants are kept up-to-date on important retirement issues, needs and trends. _____
- Our participants get the tools, retirement savings resources, and extensive education on retirement planning that they need. _____

FIDUCIARY RESPONSIBILITIES

- Our plan has an investment policy statement and it has both been followed and reviewed in the past 12 months. _____
- Our provider has a rigorous investment selection and review process. _____
- Our plan offers professionally managed asset allocation, which is an important feature for our participants. _____
- Our plan offers a multi-manager platform of quality investment options. _____
- Our plan offers all the appropriate core investment categories. _____

PLAN DESIGN AND ADMINISTRATION

- We have excellent guidance, education and support in understanding our fiduciary responsibilities. _____
- We have the proper amount of Fidelity Bond coverage in place and have Fiduciary Insurance as well. _____
- We have a fiduciary assurance feature related to the suitability of the investment monitoring process and fund lineup. _____
- We have the expertise of a specialist who can ensure that requirements are met and the plan is kept in compliance. _____
- We have all the tools and resources needed to help us discharge our fiduciary responsibilities. _____

ASSESSMENT TOTAL _____



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With defined contribution plans continuing to assume greater importance in employees' achieving retirement security, 2023 is shaping up as a year when many sponsors should take a fresh look at their plans' objectives, investment options and communications with participants. These days, it's no longer a situation where plan sponsors can simply "set it and forget it." The trend is for defined contribution plan sponsors, along with advisors, to regularly evaluate whether their plans are successful for both the organization and its employees.

Once you have totaled your score from this assessment, the legend below will help you to understand if changes are required.

Total Score:

126 or more – Good plan and no current review is needed

125 to 86 – Will benefit from a review in the next three months

85 or less – A review is immediately needed

If a plan review is required, EJReynolds, along with your advisor, can assist you in examining and defining your plan objectives, help you be more prescriptive with your investment options, and more easily communicate with employees who want to understand how to achieve their own retirement income goals.

In addition, appointing an advisor to provide discretionary delegated solutions for a plan in its entirety, or for select investment options within a plan, transfers more fiduciary responsibility to the advisor and may result in time savings for management, as well as the potential for increased diversification, improved performance and decreased costs. Determining which governance structure is right for you is a critical component of the direct-contribution plan management process.

Call us today with any concerns
or questions you may have.

