

4 REASONS

WHY PLAN FIDUCIARIES SHOULD BENCHMARK THEIR COMPANY'S RETIREMENT PLAN THIS YEAR



DID YOU KNOW... 83% OF PLAN SPONSORS BENCHMARK THEIR PLANS ANNUALLY.

BENCHMARKING IS THE PROCESS OF COMPARING YOUR RETIREMENT PLAN WITH OTHERS THAT ARE SIMILAR IN SIZE AND TYPE.

Here are four good reasons to benchmark your company's retirement plan:

IT HELPS YOU MANAGE YOUR FIDUCIARY RESPONSIBILITIES

ERISA requires plan fiduciaries to:

- Monitor and benchmark service providers for fee reasonableness
- Regularly monitor and review the plan's investment options to ensure they are performing as expected

IT COULD SAVE YOUR PLAN AND PARTICIPANTS MONEY

Submitting requests for proposal (RFPs) every year or so may help you:

- Gain leverage to renegotiate fees with existing providers if the current provider is charging more than the industry average
- Reduce fees, even by a few basis points, something favorable for participants because it means potentially larger gains in their account balances at retirement

IT CAN CONFIRM YOUR PLAN'S SERVICE PROVIDERS ARE STILL PROVIDING VALUE

PLUS,

- Plans may outgrow their service providers over time
- Benchmarking is a good way to review your current service providers and determine if you need to shop around for new ones

IT MAY HELP IMPROVE YOUR PLAN DESIGN AND FEATURES

PLAN DESIGN BEST PRACTICES HAVE EVOLVED IN RECENT YEARS.

- Potentially increasing participation and savings rates by implementing auto-features
- Such that the fund lineup may need a refresh
- Providing an opportunity for you to review your plan documents, structure and design to ensure they are in line with current industry standards

It's also important to document your actions during the benchmarking process. Benchmarking helps to ensure that your participants have access to a plan that offers value and that plan dollars are spent on reasonable expenses.

**To get help determining if it's the right time to benchmark your plan,
CONTACT US TODAY.**



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¹ Callan. 2018 Defined Contribution Trends Survey Report. January 2018.

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