

401k PLANS

Three Areas You May Want to Address to Improve Your Plan

Often overlooked, we find 401k plans are missing attention in these three key areas: employee education, plan costs, and appropriate investment options.

Improving the plan begins with understanding it. As the plan sponsor, you're responsible for how the plan is structured, managed, and communicated. Although many look at a 401k plan as a benefit, it is also a major fiduciary responsibility. This includes selecting and monitoring providers, ensuring compliance, communicating plan details, and overseeing investments, fees and contributions.

It can be a lot to navigate — but this is where we can help.

As our 401k clients would tell you, working with a qualified financial advisor can help you make more informed decisions, reducing your liability and providing employees with valuable education and support. Simplifying the process is key - it helps our 401k clients better understand their plan, resulting in better plan designs and outcomes. Our focus is to help identify where the plan is working - and where there's room for improvement.

UNDERSTANDING THE 401K PLAN

401k plans are known as a type of Defined Contribution Plan - a retirement savings account that allows employees (and in many cases employers) to contribute on a pre-tax, Roth or after-tax basis. Contributions then grow tax-deferred, offering both savings and tax benefits. Employers can also structure contributions on the employee's behalf through different strategies, such as; matching, non-elective, and/ or profit-sharing. We believe understanding this breakdown is something often missed.

Important note: the plan must follow a formal document outlining key rules around eligibility, vesting, contributions and distributions.

WORKING WITH US

For a successful 401k plan, it is important that these 3 key areas be reviewed and discussed from time to time. As your strategic partner, our goal is to reduce fiduciary liability for you, while enhancing employee engagement — resulting in an overall better plan for you and the business.



THE FOUR KEY 401K ROLES

Plan Sponsor (Employer)

- Holds fiduciary responsibility of the plan
- Day to day administration of the plan

Third Party Administrator (Compliance)

- Plan design and set up
- Handles compliance, government filings, reporting, and recordkeeping
- Ensures plan operates according to plan documents and ERISA rules and guidelines

Recordkeeper (Platform Provider)

- In many cases, the Plan Custodian
- Manages plan data, including account activity and account balances
- Processes Contributions from payroll on behalf of the participant
- Typically provides the online platform for employee access

Financial Advisor (Strategic Partner)

- Fiduciary Support
- Overall plan consulting and evaluation
- Employee Education
- Employee Support
- Investment Selection and Monitoring



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