

Blog

4 Ways to Improve Participant Outcomes Today

by Ryan Gardner, Managing Partner and Head of Defined Contribution

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September 9, 2022 is National 401(k) Day! To celebrate, we compiled four helpful ways Plan Sponsors can potentially help improve outcomes for 401(k) plan participants.

1. Be mindful of fees.

One of the most effective ways to ensure your participants are saving more for retirement is having them pay less in fees. A periodic review of investment and recordkeeping fees can help uncover savings opportunities and will also leave a trail of good governance. Evaluating different ways to allocate fees across participant accounts (i.e., pro rata vs. per capita) may also help ensure fees are being paid equitably among all participants in your plan.

2. Consider offering advice to help your participants plan for their retirement.

Many participants are not expert investors, but they could benefit from working with an expert. Your plan recordkeeper likely offers two types of advice within the plan today, point in time non-discretionary advice and managed accounts. Point in time non-discretionary advice is often provided at no cost to a participant and there is no obligation to use the advice. This may be helpful for a participant who is looking to confirm their allocation or investment selections are appropriate given their circumstances. Managed Accounts is a discretionary advice offering with an additional fee. This may be helpful for a participant with a more complicated investment situation or someone who would prefer to be hands off when it comes to choosing an allocation and investments for their retirement plan. It is important to note that from a fiduciary perspective, advice and managed accounts should be prudently selected and monitored on an ongoing basis.

3. Get participants saving in your plan sooner.

While it has been many years since the Pension Protection Act of 2006 introduced automatic enrollment provisions, there are still nearly 40% of plans not using this valuable tool, and when in use, nearly 40% are not applying the provision retroactively (eligible but not participating in the plan).¹ Similarly, just over 50% of plans are offering immediate eligibility (for employee contributions).¹ As many participants have likely heard in a group

¹Source: PSCA 64th Annual Survey of Profit Sharing and 401(k) Plans: Reflecting 2020 Plan Experience. Data as of December 15, 2021.

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education setting, “it is time in the market that is most important”. Eliminating roadblocks to help participants have more time in the market to save and plan for retirement is critical.

4. Good governance leads to better outcomes.

Being a Plan Sponsor comes with many responsibilities and risks. One way to help mitigate risk is through a prudent process. Meeting regularly as a committee and following a process to evaluate the critical areas of your plan will help to ensure you are meeting your obligations as a plan fiduciary. Most importantly, it may lead to the best outcomes for your participants.

For more information on how to potentially help improve your participants’ retirement plan outcomes, please contact any of the professionals at Fiducient Advisors.

About the Author



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As Managing Partner and Head of Defined Contribution, Ryan services institutional clients by providing fiduciary governance oversight, plan design analysis and implementation, fee disclosure review, vendor search and selection, and investment analysis. Ryan is a member of the firm’s Defined Contribution Business Council as well as Chair of the Defined Contribution Strategic Oversight Committee. Ryan helped to establish Fiduciary Investment Advisors, LLC in 2006, which combined with Fiducient Advisors in 2020. Prior to co-founding the firm, he was with the PRIME Asset Consulting Group at UBS Financial Services Inc. Ryan is a member of the Pension Committee of the Women’s Tennis Benefit Association, which administers the pension plan for professional women tennis players. Ryan received his Bachelor of Science in Business Administration from the University of Hartford Barney School of Business, where he also serves on the Board of Visitors. In his free time, Ryan enjoys traveling to Aruba with his family, ice hockey and working outside in the yard.