

# What Good Plan Providers Would Fix First If They Took Over Your 401(k) Tomorrow

By Ary Rosenbaum, Esq.

Whenever I hear One Day More from *Les Misérables*, I'm reminded that change always arrives with noise, urgency, and a little fear. In the musical, every character stands on the edge of tomorrow wondering what will happen when the sun rises. A 401(k) transition feels the same way. Plan sponsors worry about disruption, participants worry about their balances, and providers worry about whether anyone will actually read the emails they send. If a competent plan provider walked in tomorrow to take over your plan, the first thing they would fix isn't technology or investment, it's perspective. Too many plans are run like Inspector Javert is in charge, obsessed with rules but blind to people. A good provider starts by seeing the plan as a human benefit, not a compliance file. They would talk to payroll clerks, HR assistants, and the owner who signs the checks, learning how the plan actually lives inside the company. Before any contracts are rewritten, the new provider would listen, because real reform begins with understanding where the barricades are.

## Finding the Broken Streetlamps

Most 401(k) plans have been patched together over years like the crooked streets of nineteenth-century Paris. Forms don't match procedures, the website says one thing while the enrollment guide says another, and nobody remembers why a particular share class was chosen in 2016. A smart provider would perform a daylight inspection, not a glossy sales audit. They would review payroll files, loan procedures, beneficiary records, and fee disclosures the way a stage manager checks every rope before

the curtain rises. The goal isn't to shame the prior advisor; it's to make sure the lights actually work. I've seen plans where participants were defaulted into the wrong fund for five years simply because nobody compared the recordkeeper mapping to the plan document. Fixing those streetlamps—basic operational hygiene, does more for participants than any trendy ESG fund ever will. Competence is not exciting, but it keeps the show from collapsing in the second act.



## Fees Without Poetry

If there is a villain in our industry, it isn't any one company; it's the fog around fees. A new provider worth hiring would translate expenses into plain English before selling a single new service. They would lay out what the recordkeeper charges, what the advisor receives, and how revenue sharing sneaks around like Thenardier counting coins in a dark inn. I've sat with sponsors who believed their plan was "free" because the invoices went to the mutual funds instead of the employer. That illusion ends tomorrow under a good provider. Transparency isn't just a regu-

latory word; it's the foundation of trust. When fees are understood, decisions become adult conversations rather than hostage negotiations. The best providers don't promise to be the cheapest; they promise to be honest about the cost of running a serious retirement program. In my experience, sponsors accept reasonable expenses when they finally see what they are buying.

## Investments That Match Real Lives

Taking over a plan means asking whether the menu reflects the workforce or the ego of the last consultant. I like index funds as much as the next lawyer, but I like appropriateness more. A responsible provider would examine demographics, turnover, and savings behavior before rearranging the lineup. If half the employees earn under fifty thousand dollars, the plan needs guardrails and simplicity, not twenty exotic choices. Target-date funds should be evaluated for glide paths that match how actual participants retire, not how a marketing department imagines them. Good providers remember that behind every ticker symbol is someone hoping to pay a mortgage or help a kid through college. The musical teaches that revolutions are fought by ordinary people, and so are retirements. Investment design must serve those ordinary people rather than the consultant's brochure.

## Education as Conversation, Not Confession

Most enrollment meetings feel like Javert interrogations: a stern slide deck, a warning about saving more, and a sign-in sheet proving attendance. If I took over



a plan tomorrow, I would replace that ritual with conversations that respect adult anxiety. Participants don't need sermons; they need help deciding whether to save six percent or eight when rent just went up. A capable provider would train managers to speak about the plan the way they speak about health insurance, practical, human, ongoing. Technology can help, but no app replaces a real explanation delivered at a lunch table. Education should be a duet, not a monologue. When people understand why the plan exists, deferral rates rise without gimmicks. I've seen a five-minute hallway chat accomplish more than a hundred glossy flyers.

#### **Compliance Without Terror**

ERISA has a reputation like the Paris police: powerful, mysterious, and occasionally unforgiving. Yet most compliance failures are not crimes; they are paperwork tragedies. A new provider would organize the calendar, document procedures, and teach the sponsor how to breathe during an audit. Instead of dropping a binder on the desk once a year, they would create routines that fit the company's rhythm. Payroll files would be tested before the Form 5500 deadline, not after the DOL letter arrives. Loans and hardships would follow written steps so that the receptionist isn't inventing policy on a Tuesday morning. Compliance should feel like maintenance on a reliable train, not a guillotine waiting to fall. When sponsors understand the rules, they become partners rather than defendants.

#### **Service With a Name and a Face**

Nothing angers employers more than calling a help line that treats them like prisoner 24601. A provider taking over tomorrow would assign real humans who answer emails before the second act ends. They would measure success by how quickly a participant problem is solved, not by how many tickets are closed. I've watched plans lose years of goodwill because a beneficiary form sat in a queue while a widow waited for distribution. Service is not a luxury; it is the melody that keeps the whole production moving. The best firms know the payroll clerk's dog's name and the owner's vacation schedule. That familiarity prevents small issues from becoming barricade-sized battles.

#### **Technology That Serves the Story**

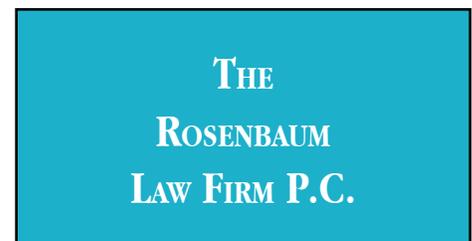
Every vendor arrives promising a digital revolution, but good providers treat technology like scenery, not the star. They would keep what works and discard what confuses. If the recordkeeper portal requires a PhD to change a deferral, the provider would redesign instructions before launching another mobile app. Data feeds between payroll and the platform should be tested the way orchestra pits tune instruments, quietly and repeatedly. Automation is wonderful until it misclassifies an employee and nobody notices for a year. The right technology supports human decisions instead of replacing them. Tomorrow's provider would remember that software should reduce friction, not create a new subplot.

#### **Measuring Success After the Curtain**

Taking over a plan is easy; improving it is harder. A thoughtful provider would establish simple scorecards: participation rates, average deferrals, fee ratios, and participant satisfaction. These metrics would be reviewed with the sponsor like producers discussing box-office receipts, not like lawyers trading threats. Improvement takes seasons, not a single performance. When progress stalls, the provider should admit it and adjust the script. Too many consultants declare victory after the conversion call and disappear into the wings. Real professionals stay for the long run, celebrating small wins and correcting mistakes without drama.

#### **Finale: One Day More**

One Day More is my favorite song because it captures that breath before change, the hope that tomorrow can be better if we are brave enough to act. A 401(k) take-over should feel like that hopeful chorus rather than a funeral march. Good providers would fix the basics first: clarity, fairness, and respect for the people who save. They would sweep away the fog around fees, repair the operational streetlamps, and speak to participants like neighbors instead of case numbers. If such a provider walked into your office tomorrow, the plan would not become perfect overnight, but it would start moving toward dignity. And like Valjean stepping into a new life, sponsors and participants would discover that the future of their retirement story can change with a single, determined day.



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