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THE LAW FIRM REVIEW  
A Publication for Plan Sponsors and Retirement Plan  
Professionals

## Stuff That Won't Help A Retirement Plan Sponsor Limit Their Liability

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A seat belt in a car is useless if the driver or passenger isn't wearing it. A smoke detector is useless if the batteries are dead. Vitamin C won't prevent a cold and putting paper on your forehead won't cure hiccups. For a retirement plan, many things won't limit liability if they aren't used and other things will never limit a plan sponsor's liability even though it's advertised that it will. So this article is about stuff that won't limit a plan sponsor's liability.

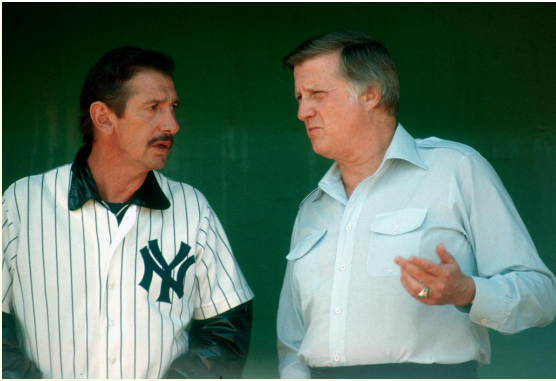


To read the article, click [here](#).

## When You May Have To Fire Your 401(k) TPA

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Saying goodbye is never easy, but there are certain times when you need to do it. Personally, I've had to say goodbye to certain places of employment, friends,



and organizations because it was the end of the line, and keeping the relationship continuing would have caused greater harm. There are many times where you do need to say goodbye. As a 401(k) plan sponsor, that goodbye is when you have to fire a plan provider. When it comes to firing a third-party administrator (TPA), there are many reasons why you have to fire a TPA and there are reasons when you have no choice. This article is about when you may have to fire your TPA.

To read the article, please click [here](#).

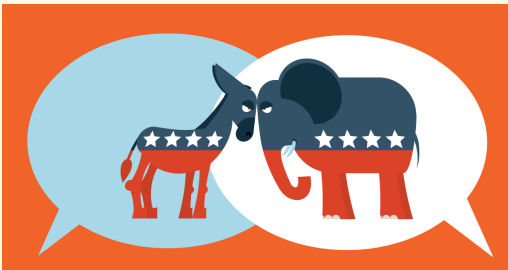
## The Real And Exaggerated Threats To A 401(k) Plan Sponsor

When I started my practice more than 10 years ago, I would post articles on some of the LinkedIn groups talking about 401(k) plan sponsor liabilities. One person who was not even a retirement plan provider accused me of spreading fear because I talked about issues such as plan costs, revenue sharing, and other fiduciary liability problems, and that was a couple of years before they became big issues. Unlike many other plan providers out there, I don't exaggerate the liability threats out there because there are several out there that have less of a chance of happening to a small or medium-sized 401(k) plan than a direct lightning strike to someone. This article is all about threats to a plan sponsor, exaggerated and not.



To read the article, please click [here](#).

## Keep Politics to Yourself



Someone I really respect in the industry posted on Twitter that her husband's certified financial planner (CFP) told him that people who wear masks in this COVID pandemic as her husband was wearing a mask. The CFP just lost a client.

Regardless of your politics, keep it to yourself. Don't make political jokes. Keep politics out of your LinkedIn posts. It's so hard getting clients, why lose one over politics?

## The Partial Termination Headache

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With COVID and massive layoffs, we certainly have a partial termination problem to consider. If an employer has a turnover rate of 20% or more, that counts as a partial termination, and employers have to fully vest employees they've laid off, just as they would have to fully vest employees if the 401(k) plan was ended altogether.

The problem with partial termination is that it's often not considered or determined until the plan year is over and after participants have been paid out after they have been terminated and paid what the employer thought was their full vested balance. The big partial termination headache is having to reinstate forfeited account balances and track down former employees with forfeited unvested balances, that are now reinstated.



## Your referrals shouldn't be for sale

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My word is my bond; at least I try to make it that way. My opinions on which providers are good for plan sponsors aren't for sale and neither should yours.

When I get asked for referrals, I always try to point out at least three competing providers to plan sponsors because I don't want any suggestions that I'm just pushing one because it could benefit me and I want the plan sponsor to pick a provider they are most comfortable with.

I just received a call from an irate plan sponsor who felt swindled by a broker for their retirement plan. The broker was referred by the third-party administrator who was referred by their attorney. The attorney won't return calls, there may be a reason or two why.

Thanks to the popularity of my articles and blog, I get a lot of requests to meet with financial advisors and third-party administrators. Of late, I have not done a good enough job in meeting them. I think some of it is my schedule and some of it is remembering how many other plan providers I met and how little business came from it.

Regardless, I have heard of some brokers offering some sort of referral program. I have to clearly state that I have never been directly or indirectly paying for making a referral and I never will. My opinions on who is a good plan provider are my own and it's not for sale. I sure could use the money, but there are more things important than money: my reputation and that's not for sale.

## Check out That 401(k) Podcast

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## Check out That 401(k) Podcast and my YouTube Channel.

The podcast you should listen to if you have the time, as well as YouTube videos.

Please check out That 401(k) Podcast. We tackle important 401(k) subjects for both plan sponsors and plan providers. In addition, we talk about all the events I'm hosting, as well as important cultural allusions.

Find it [here](#) and on Apple Podcasts [here](#).

To catch the podcast and our virtual events, find my YouTube channel [here](#).



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