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## Don't Be Like These 401(k) Plan Providers



The beauty of being an ERISA attorney is that when you think you've seen it all, you've seen something new. While most plan providers are professional, ethical, and competent, it's the outliers that I'm fascinated about. Also, 401(k) plan sponsors using these ineffective plan providers need my help, not the ones who hired good providers. So these "horror stories" are things you shouldn't become and if some of these stories may describe you, you have time to change your behavior.

**Read More**

## Beware of the audit of the audit

A plan with 100 or more participants requires an audit of a plan's financial standing conducted by an independent qualified public accountant to be submitted along with Form 5500.

One of the well-known secrets over the past 10 years is that the Department of Labor (DOL) is concerned about the quality of audits prepared by certified public accountants. One way they have been doing that is by doing random audits of audits. They will send a letter to a Certified Public Accounting firm with a bunch of requests for documents to ensure that the audit was proper including the engagement letter and work papers.



The audit of the audit is part of the business and I got a little upset when a CPA firm forwarded one of these DOL letters to a plan I work on and cited that per the audit contract, they were entitled to be paid for the work involved. I protested because it's dealing with the quality of the audit and that should be the cost of the CPA doing business, just like the times I've had to answer about the legal opinions I've made.

## DOL to expand on fiduciary rule



Revising the new fiduciary rule is on the drawing board for the Department of Labor (DOL). The Employee Benefits Security Administration (EBSA) plans to issue a Notice of Proposed Rulemaking (NPRM) addressing the definition of fiduciary. EBSA plans to issue the NPRM by December 2021.

The amendment will consider the practices of investment advisers and the expectations of plan officials, participants, and IRA owners who receive investment advice, as well as developments in the investment marketplace, including the ways that advisers are compensated that can lead to conflicts of interest. EBSA will also evaluate prohibited transaction class exemptions and consider proposing amendments or new exemptions to ensure consistent protection of employee benefit plans and IRA investors.

## There is a cost to technology and it's cybercrime

The beauty of being in the retirement plan business since 1998 is that I love what I do and I can also remember the technological breakthroughs that allow the industry to provide a better service at a better price. The days of paper and telephone changes of investment allows participants a quick and better control of their retirement assets. Yet there is a price to pay. The price to pay is now being concerned with cybercriminals because stealing assets when distributions are done online is far easier when it was done by pen and paper.



In the United States, we have \$6.3 trillion in retirement plan assets. Just a fraction is a huge take for any cybercriminal, whether it's here or outside the United States.

Whether you're a plan provider or plan sponsor, you need to be up on this or you're the next victim.

**We can do better and we must**



I'm that turd in the punch bowl, being frank and honest which makes some people very uncomfortable. Over the last 10 years, the 401(k) industry deserves much praise for doing a better job in terms of fees, transparency, education, and coverage. Yet, we have so much more to improve.

The "average" balance in a 401(k) retirement plan handled by Vanguard is \$129,157. The median account balance is just \$33,472. Half of their plan participants had a balance below \$40,000 and about 30% had a balance below \$10,000.

While the industry isn't the reason that people save very little for retirement, but it does mean we have more work to do.



**Registration  
open for live  
events.**

**We have finally rescheduled our  
2020 events for 2021.**

**Our St. Louis event is scheduled for this Friday, September 10th with a Cardinals game that night with special guest Al Hrabosky. To sign up, please click [here](#).**

**Our Minneapolis event has been rescheduled for Friday, September 24th with a Twins game that night. To sign up, please click [here](#).**

Our Houston event has been scheduled for Wednesday, September 29th with a game that night. For more information and to sign up, please click [here](#).

Our Las Vegas event will be Friday, January 21, 2022 on the Las Vegas Strip at New York-New York Hotel & Casino. For more information and sign up, please click [here](#).

For more information on sponsorship, please contact [me](#).





## We will do it again virtually in 2022.

That 401(k) National Virtual Conference this January was such a hit, we will do it again for 2022. It's far easier to have dozens and dozens of advisors to show up for an event virtually, instead of asking them to take 4 days out of their life and thousands of dollars to attend an event elsewhere.

That 401(k) Virtual Conference will be Thursday-Friday, January 27-28, 2022.

This virtual event will have it all: great presentations to help grow your 401(k) business and a couple of celebrity guests.

Attending the event for two days will start with start at an early bird fee of \$20.22. That price will increase by 50% in the Fall.

To sign up for the event or get more information, click [here](#).

For information on sponsoring the event, click [here](#).

To see some my interview with Walt Frazier from the past Conference, click [here](#).

To see some of my interview with Dwight Gooden from the past Conference, click [here](#).

For a video of Day 1 from the 2021 conference, click [here](#).

For a video of Day 2 from the 2021 conference, click [here](#).

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