



Why Every Business Owner Needs to Review their Company's Retirement Plan

As a business owner, the benefits are too large to ignore.

- Maximum tax-advantaged investing – with both employer and employee contributions.
- Divert significant cash flow into a tax-deferred savings vehicle – often much more than you are currently doing. Even more significant in light of pending tax law changes by Congress (Ordinary Income Tax, Capital Gains Tax, Medicare Surtax).
- Your business retirement plan is a critical piece of your *personal* investment, tax and estate planning strategies.

You're too busy running your firm to stay abreast of plan designs, investments, and legal obligations.

- While you understand this is a critical benefit to you and your employees, running your business takes priority, and it never gets the attention it deserves.
- You may be unaware of your basic legal obligations as a retirement plan sponsor and de facto fiduciary.
- It's difficult to determine if the provisions and oversight of your plan are consistent with current regulatory requirements.

Ensure your plan is up to today's standards. Most are not.

- You could be paying high fees – potentially 3-4% annually. There is no excuse for this – especially with today's low-cost investment options.
- You're especially vulnerable to high fees if your retirement plan was originally setup as a group variable annuity contract.
- You may have bundled 401(k) arrangements adopted years ago through an insurance agent who is no longer with the business and currently receive no guidance at all.

Understand the essential elements of a superior retirement plan in today's world.

- If you don't like high fees and lack of fiduciary support, don't buy your plan from a salesperson. *Salespeople are compensated like salespeople.* Work with a fiduciary investment advisor.
- Ensure your plan is up-to-date with prudent portfolio choices for different risk tolerances and that it is implemented with low-cost investment options from an independent advisor (so there are no conflicts of interest).
- Demand total fee transparency. According to a recent Morningstar study on the impact of mutual fund expenses on fund performance, a 1% difference in fees can eat up 28% of the ending value of an account over a 35-year span. *Fees matter.*

Get an objective opinion. Ask your Tax Advisor or give us a call.

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