

# 8 Key Questions to Consider When Shopping for a 401(k) Service Provider



Take this quiz to help you decide what's most important to you. Answer yes or no to each, then read on to learn more.

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1. Is lowering the risks associated with a 401(k) important to you?                          | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Do your employees need support for a range of investment goals and expertise?             | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is it important to have a dedicated point of contact for all retirement related concerns? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Does the service provider conduct one-on-one educational sessions with employees?         | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Do you have ongoing support readily available to your employees?                          | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are the fees you and your employees pay clear and transparent?                            | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Does your plan service provider specialize in small and medium-sized businesses?          | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Would you find regular insights on market trends from a trusted source beneficial?        | <input type="checkbox"/> | <input type="checkbox"/> |

Now that you've taken a closer look at what's most critical for your company's 401(k), call Fisher Investments 401(k) Solutions at **888-220-4608**, and we'll help you check all the "Yes" boxes.

As a plan sponsor, how do you know



what's important to you when selecting a 401(k) plan service provider?

Here are some things to consider:

## Q 1: Lowering Risks

Many investment professionals can provide advice as a Broker or a 3(21) Investment Adviser but do not share legal responsibility the way a 3(38) Investment Manager does. A 3(38) Investment Manager allows you to fully delegate your fiduciary responsibility and liability for selecting, monitoring, and updating plan investments. Additionally, a good service provider should help you build your fiduciary documentation.

## Q 2: Employee Investment Styles

Do your employees represent a range of investment styles, goals and expertise? Different people

want to manage their finances in different ways. Money management is a very personal decision and that's why employees prefer having different investing options to choose from when selecting their investments. The Fisher Investments platform, for example, is not one-size-fits-all, providing four types of 401(k) solutions for different participants:

1. **Do It for Me:** Fisher Investments designates a Model Portfolio for participants who do not engage in the investment process
2. **Guide Me:** Interactive education based on the participant's unique retirement goals and needs
3. **Select My Own Fund Mix:** Participants can choose from a range of professionally-managed funds
4. **Open My Own Brokerage Account:** Offering participants full control with a wide range of investment options<sup>1</sup>

### Q 3: Dedicated Employee Service

It's common for your sales person or broker to also be accountable for the ongoing service and management of your plan. The problem with this approach is that they have more incentive to sell new products than to help you with your existing plan. Fisher believes this model is broken and harms your employees' ability to maximize their retirement savings.

Our exceptional service model gives employers a responsive and proactive single point of contact—your own Retirement Counselor from Fisher Investments. Their focus is to help you make your company's retirement plan easier to manage and help you, your business, and your employees get the most from your 401(k) plan.



*If you're looking to increase employee participation rates, one-on-one, in-person sessions are essential.*

### Q 4: Enrollment Sessions with Employees

Employee participation can increase if the enrollment sessions are in person and one-on-one with personalized goal-setting tools. You can imagine why; talking about their finances could be really difficult for some, or overwhelming. Your service provider should make this a mainstay by customizing your enrollment day, visiting multiple business locations, and holding individual enrollment meetings.

### Q 5: Ongoing Support for Your Employees

It can be confusing to know who to call if you or your employees have questions about the company 401(k) plan because there can be a lot of players involved in making a 401(k) work: the service provider, the recordkeeper, and the Third Party Administrator (TPA). An ideal service provider would pay individual attention to employees and provide online services to help make saving for retirement easier. Making a Help Desk available to your employees should they have questions—if they need help understanding the plan, needing technical assistance or other service needs—is a game-changer. Your participants shouldn't need to figure out who to call—it should be a proactive service provided to them.

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<sup>1</sup>Self-Directed Brokerage may not be appropriate for every plan and/or for every participant.



***Our Real People Help Desk is available to your employees when they have questions.***

### **Q 6: Fees**

There are many different ways 401(k) service providers charge for their services—and as a fiduciary, it's important to understand what fees you and your employees will pay. Other 401(k) plans use a bundled mutual fund solution. Many of the mutual fund expenses are for the investments themselves, but often there are revenue sharing arrangements with the financial adviser who sold the mutual fund. Likewise, subtransfer agent fees can flow to the recordkeeper, the third party administrator or the custodian. It gets challenging to evaluate just how much money is spent on fees or understand who is getting which fees. As for a clear, reasonable and easy-to-understand fee.

### **Q 7: The Size of Your Business**

Does your plan service provider specialize in small and medium-sized businesses? Small businesses may not get the same level of service or options that a big plan will. Seek a service provider that specializes in helping the small and mid-size business space.

### **Q 8: Market Updates**

You might find that you can get market updates by logging into your 401(k) service provider's website and reading their news flashes and updates. That might be all you expect. But there is another way: A proactive service provider that brings knowledge and focus directly to you. An idea service provider would reach out to offer capital market updates and regular check-ins to help ensure your plan is running smoothly.

## **About Fisher Investments 401(k) Solutions**

Fisher Investments 401(k) Solutions is dedicated to helping you and your small business' employees reach your retirement goals. We seek to offer comprehensive 401(k) plan services designed to help your employees optimize their retirement savings while easing your company's risk and administrative burden. Fisher Investments is an independent, privately-owned money management firm with over \$169 billion under management for our global client base.<sup>2</sup> Founder Ken Fisher authored the Forbes "Portfolio Strategy" column for 30 years and believes that every business, regardless of size, should benefit from the Fisher advantage.

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<sup>2</sup> As of 12/31/2020, includes assets managed by Fisher Investments and its subsidiaries.