

Questions to ask your retirement plan provider

Retirement plans are available through a wide variety of providers including banks, brokerage firms, insurance companies and mutual fund companies. While it's possible to establish a plan directly with the provider, you often will find yourself working with an advisor or agent to help explore your options.

As you meet with prospective providers, it's important to understand what types of services are offered and how the provider is compensated.

Checklist

- What forms of compensation do you receive, and from whom? Does your compensation vary based on what investments are used in the plan? (Specifically, are the provider's fees paid directly by you and/or plan participants or does the provider's compensation come from other third parties such as investment providers.)
- What types of plans do you offer? (Some providers only offer one type of plans, which could limit your options. It is best to shop around.)
- Are you a fiduciary? Do you commit to your fiduciary status in writing? (A fiduciary is obligated to act in the best interest of the plan and plan participants. Not all individuals who work with business retirement plans are fiduciaries; if they are, they should be able to put it in writing.)
- Does the plan administrator receive revenue sharing payments from some or all of the investment providers? If so, are these amounts used to explicitly offset the quoted administrative/recordkeeping fees? (If not, you may end up paying more than is appropriate for these services.)
- Can you provide a breakdown of all projected costs, both explicit and imbedded? (This should include all plan fees, additional costs for services such as loan administration, commissions and revenue sharing payments.)

For more information, visit <http://www.smallbusinessportal.org/retirement>