



FIDUCIARY EDUCATION

401(k) Playbook for Company Leadership

Strengthen your workforce
and elevate workplace benefits
without increasing costs



As a company leader, you know that your workforce is your most valuable asset. A well-managed 401(k) plan isn't just a benefit; it's a powerful tool for attracting, retaining, and engaging top talent. But in today's competitive labor market, if your 401(k) isn't optimized, you're leaving money—and talent—on the table.



The leadership edge: what you'll learn

1. Maximize your fiduciary impact

Your fiduciary role carries serious weight. You're not just following rules; you're shaping the financial integrity of your workforce. This guide walks you through your key duties—prudence, loyalty, diversification, and managing costs—while also educating you on how to take action when it matters.

2. Elevate your workforce benefits

Employees who feel financially secure are more productive and 74% are more likely to stay with their employer.¹ We'll show you how features like auto-enrollment and financial wellness programs can amplify your retirement benefits, making it a key driver of employee satisfaction and loyalty.

3. Lean on professional advisors

In a rapidly evolving regulatory landscape, your plan advisor is your ally. A specialized advisor can help you keep pace with compliance, manage risk, and unlock innovative strategies. Together, we can help you navigate the complexities of retirement plan management with greater clarity and confidence.

¹ SoFi at Work." The Future of Workplace Financial Well-Being." 06 Feb. 2024.

Fiduciary responsibilities: understanding your role

As a leader, your fiduciary responsibilities are critical. Failure to act in the best interest of plan participants could lead to personal liability, financial penalties, and—just as damaging—loss of employee trust.

Your core duties:

- **Duty of loyalty:** Put your employees' financial well-being first.
- **Duty of prudence:** Act with informed, expert judgment.
- **Duty to diversify:** Minimize risk by diversifying investments.
- **Duty to follow plan documents:** Stay compliant with legal requirements and plan rules.
- **Duty to control costs:** Ensure fees and expenses are reasonable for participants.

Why it matters: If you neglect these responsibilities, you're not just risking fines. You're undermining your company's leadership credibility. Employees today are savvy and know when they're getting a bad deal. Don't give them a reason to question your commitment to their future.



Elevating your 401(k) to meet modern expectations

Today's employees demand more from their benefits. They want more than just a paycheck; they want financial security. Companies that offer comprehensive financial wellness programs see higher engagement, lower turnover, and more productive teams.

Key features that drive engagement:

- **Auto-enrollment:** Plans with auto-enrollment see participation rates soar to 94%, compared to just 67% for plans without it.²
- **Financial wellness programs:** 77% of employees view financial wellness as an important benefit, yet only 28% of companies offer it.³ This creates a huge opportunity to stand out in the job market.
- **Automatic escalation:** Boost employee savings automatically by increasing contributions over time. This is an option for companies that want to promote long-term financial security for their workforce.

Impact on recruitment & retention:

- **61% of employees** are more likely to stay with an employer offering a strong retirement plan.⁴
- Companies with a robust 401(k) experience could lead to a cost savings of more than **\$100,000 in reduced employee turnover costs.**⁵

2 Vanguard. "How America Saves Report." 2024.

3 TransAmerica Institute. "Stepping Into the Future: Employers, Workers, and the Multigenerational Workforce." 2023.

4 Voya Financial. "Voya Consumer Omnibus Research: Retirement Report." 2023.

5 Gusto. "One Secret to Retaining Top Talent? Offering Retirement Plan Benefits." 2024.

Why you need an experienced advisor now

The retirement landscape is more complex than ever. With new regulations rolling out and employee expectations shifting, having an experienced advisor in your corner is essential. Your advisor can help you optimize plan design, remain in compliance, and keep costs down.

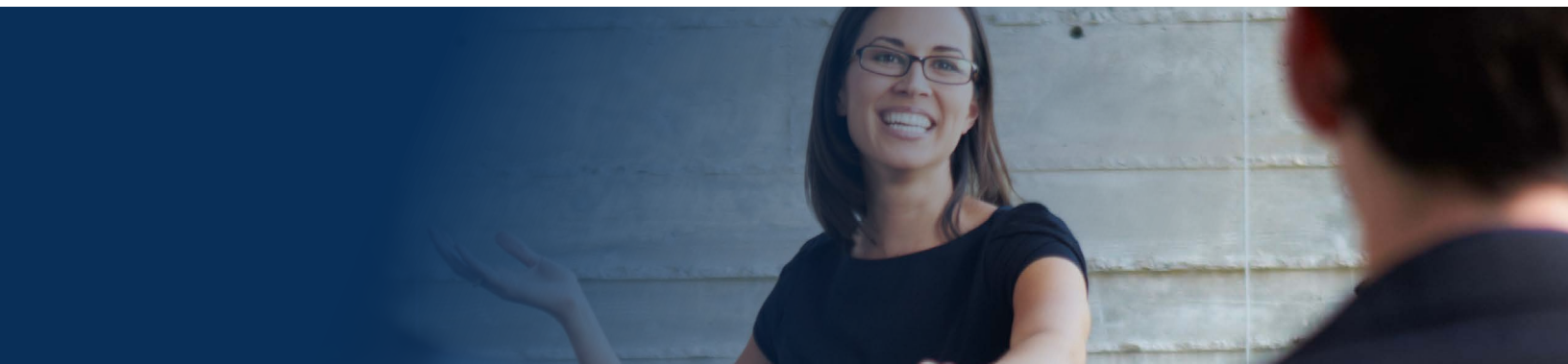
How advisors add value:

- **Compliance & regulation:** Staying up-to-date with evolving laws reduces your risk of costly penalties.
- **Innovative plan design:** Advisors can offer helpful solutions like auto-enrollment and financial wellness programs, leading to higher participation rates and happier employees.
- **Fee benchmarking & investment oversight:** Regular reviews help ensure your plan is cost-effective and competitive. Companies that benchmark their fees cut fees following their most recent fee review.⁶

Effective committee meeting game plan

A well-structured 401(k) committee meeting is crucial to managing your plan effectively. Consider including these essential components in your agenda to foster productive, action-oriented discussions:

1. **Welcome & purpose:** Start with introductions and meeting objectives.
2. **Fiduciary check-in:** Review responsibilities and recent updates.
3. **Action item review:** Update progress on prior tasks.
4. **Plan performance review:** Assess investments, participation, and costs.
5. **Fee review:** Benchmark fees against industry standards.
6. **Explore innovations:** Discuss potential plan enhancements.
7. **Compliance updates:** Address relevant legal or regulatory changes.
8. **Next steps:** Summarize key actions, assign responsibilities, confirm next meeting, and adjourn.



Is your 401(k) plan delivering value?

A well-designed 401(k) plan can play a significant role in enhancing employee retention, engagement, and financial well-being across your organization. Regular reviews and updates can help determine if it's meeting your goals.

Key questions to ask:

- Does your plan align with your goals for employee retention and productivity?
- Are you leveraging current regulatory updates and trends in retirement planning?
- Is your plan incorporating features like auto-enrollment and contribution escalation to encourage participation?

Next step

If any of these areas seem uncertain, it might be worth evaluating your approach. A high-performing 401(k) plan isn't just a nice-to-have; it's a competitive advantage that can help drive business success.

Reach out to our team today to explore ways to make your retirement plan work as hard as you do.



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