



# Retirement Plan Reviews

## Help your Clients Achieve Better Retirement Plan Outcomes

Performing a retirement plan review for plan sponsors and prospects is a great opportunity to demonstrate your subject matter expertise and value-added service. Consider using this checklist with suggested steps to help your clients optimize their retirement program and achieve better outcomes.

### PLAN REVIEW CHECKLIST FOR PLAN SPONSORS

✓	Step	Questions to Ask	Considerations	Notes
<b>PLAN EFFECTIVENESS</b>				
	<b>1. Define plan goals</b>	<ul style="list-style-type: none"> <li>■ What are the primary goals of your retirement plan?</li> <li>■ What is your philosophy on achieving those goals?</li> </ul>	<ul style="list-style-type: none"> <li>■ As you manage your plan, keep your plan goals in mind to ensure that ongoing plan decisions regarding design and investments support those goals.</li> <li>■ Ask your retirement plan provider about benchmarking plan outcomes against peers and other measures of effectiveness.</li> </ul>	
<b>PLAN DESIGN</b>				
	<b>2. Confirm plan design</b>	<ul style="list-style-type: none"> <li>■ Is your plan using all available auto features to optimize participation, deferral rates, and rebalancing?</li> <li>■ Are you using a third party administrator?</li> </ul>	<ul style="list-style-type: none"> <li>■ Take advantage of automatic plan features for a positive impact on plan metrics.</li> <li>■ Nearly three quarters (73%) of surveyed plan sponsors automatically enroll new participants.*</li> </ul>	
<b>INVESTMENT MENU CONSTRUCTION</b>				
	<b>3. Analyze your plan menu</b>	<ul style="list-style-type: none"> <li>■ Do you have an Investment Committee? Is this function outsourced to a fiduciary?</li> <li>■ Do you have an Investment Policy Statement (IPS)?</li> </ul>	<ul style="list-style-type: none"> <li>■ Consider the unique needs of your participant base and adhere to your investment committee focus and IPS.</li> </ul>	
	<b>4. Consider investment menu changes</b>	<ul style="list-style-type: none"> <li>■ Are you providing diversification without overcrowding the menu and risking participant inertia?</li> <li>■ How strong is your "core" (fixed income option) portion of the menu? How do you view the Intermediate-Term Bond category?</li> <li>■ Are you balancing active and passive options? Have you considered Collective Investment Trusts?</li> <li>■ Have you considered custom target dates for flexibility and greater alignment with your employee demographics?</li> </ul>	<ul style="list-style-type: none"> <li>■ Consider including a diversified fixed income offering for a strong, fiduciary-built investment menu.</li> <li>■ Remember that stable value can be a key ingredient of investment menus and target date options.</li> <li>■ Custom and semi-custom target date funds offer a plan sponsor greater control and flexibility.</li> </ul>	

\*Source: Willis Towers Watson, Defined Contribution Plan Sponsor Survey, February 26, 2018.

## PLAN REVIEW CHECKLIST FOR PLAN SPONSORS (CONTINUED)

✓	Step	Questions to Ask	Considerations	Notes
<b>EXPENSES AND FEES</b>				
	<b>5. Evaluate fee reasonableness</b>	<ul style="list-style-type: none"> <li>■ What fees are associated with your plan and with each investment option, including any underlying funds in TDFs or managed investment options?</li> </ul>	<ul style="list-style-type: none"> <li>■ Review your provider's information for transparency to help you gauge value in return for fees.</li> <li>■ While lower costs are always desirable, quality, value and positive employee outcomes are just as important.</li> </ul>	
	<b>6. Fee disclosure</b>	<ul style="list-style-type: none"> <li>■ Have you reviewed the 408(b)(2) plan level fees?</li> <li>■ Have you reviewed your participant fee disclosure strategy?</li> </ul>	<ul style="list-style-type: none"> <li>■ Regularly reviewing these fees helps you better understand what the plan is paying for.</li> <li>■ Participants should receive a clear breakdown of all plan fees, in accordance with ERISA regulations [404 (a)(5)].</li> </ul>	
<b>PARTICIPANT EDUCATION</b>				
	<b>7. Review participant needs</b>	<ul style="list-style-type: none"> <li>■ Have you analyzed your workforce demographics and trends?</li> <li>■ Are these insights informing your communication plan?</li> </ul>	<ul style="list-style-type: none"> <li>■ Ask your provider about its financial wellness program support. Make sure you are taking advantage of all resources, tools and support offered.</li> </ul>	
	<b>8. Identify gaps in education</b>	<ul style="list-style-type: none"> <li>■ Are you creating a culture that supports employee financial well-being?</li> </ul>	<ul style="list-style-type: none"> <li>■ Review your plan for trouble signs such as low savings rates, high rate of loan defaults and cash-outs.</li> </ul>	
<b>PLAN CHANGES / PERIODIC REVIEWS</b>				
	<b>9. Review business priorities</b>	<ul style="list-style-type: none"> <li>■ Is your organization considering any corporate actions (mergers, spinoffs, acquisitions) that will affect the plan?</li> <li>■ Has there been an addition, freezing or elimination of another retirement plan?</li> </ul>	<ul style="list-style-type: none"> <li>■ Onboarding or exporting of employee groups will have administrative and recordkeeping implications.</li> <li>■ If a pension plan has been eliminated, that may weigh in your decision about fixed income exposure within the 401(k) plan menu or target date fund glide paths.</li> </ul>	
	<b>10. Establish periodic reviews</b>	<ul style="list-style-type: none"> <li>■ Are you reviewing your plan annually to determine if there are any changes of significance?</li> <li>■ Are you reviewing performance and fund attributes of your investment menu quarterly?</li> <li>■ Are you meeting with your provider regularly to confirm service quality metrics?</li> </ul>	<ul style="list-style-type: none"> <li>■ A regular schedule of plan reviews is prudent from a fiduciary and business standpoint.</li> </ul>	

### Talk to Lord Abbett. We Can Help

An ongoing Plan Review is a core element of the value you demonstrate to plan sponsors. Ask your Lord Abbett Relationship Manager about how we can support your needs in this area. For more information, contact us at **888-522-2388**.

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