

Partnering to Simplify the Complex



PHOTO FROM LEFT: Dan Kravitz, Kravitz, Inc., Theresa Fette, Provident Trust Group, Jim Houpt, National Retirement Services, Inc., Karen Shapiro, Dedicated Defined Benefit Services, and Kasey Price, Retirement Strategies, Inc., now all Ascensus companies

Sometimes it isn't who you know but what you know. According to Kasey Price, head of Retirement Strategies, Inc., an Ascensus company [RS], advisers can err in sales calls by neglecting "the five most important 'knows.'" More than funds, fees, and benchmarks, "Clients expect you to know their company, their industry, their needs as fiduciaries, the needs of their administrative team, and those of their participants, before you present your services," she says.

Advisers may not know all these things, or have time to do the research. Or they may not be schooled in the fine points of ERISA [Employee Retirement Income Security Act] or the intricacies of running a plan. This is where an expert partner, a third-party administrator

Choosing a Specialized Custodian

Third-party administrators [TPAs] are not just good partners for retirement plan advisers; they can also connect them with other providers to address even more niche client needs. If an adviser has clients who are knowledgeable investors looking to gain control over their retirement savings, or clients wanting to incorporate hard-to-value assets into their strategy, the answer might be a self-directed individual retirement account [IRA]. In this case, the adviser may seek the guidance of an expert, such as Ascensus company Provident Trust, a specialized custodian providing self-directed IRAs.

Theresa Fette, head of Provident, says many misconceptions exist about the plans. Provident can provide education and expertise to advisers to help them navigate this market—perhaps why, for the past few years, The Trust Advisor voted the firm one of America's Most Advisor-Friendly Trust Companies. Visit trustprovident.com for more information.

[TPA] with these core strengths, can step in and fill the gap.

As advisers are responsible for how they guide their plans, partnering with a firm that offers co-fiduciary protection can help ease a major concern. Ascensus TPA Solutions can serve as a delegated co-fiduciary, offering day-to-day 3(16) administration services such as monitoring eligibility, automatic enrollment, deductions, plan limits, calculations, loan repayments, and the uploading of the client's full census to recordkeeping partners.

"We've found that plans don't go wrong once a year—they typically go wrong pay period by pay period," Price says. To catch any potential errors, "we offer clients the opportunity to have us analyze and cleanse their full payroll data on a pay-period-to-pay-period basis to help ensure plan compliance and, in some cases, potentially save our clients thousands of dollars and hours of time." Solving problems immediately is crucial, she says: "Waiting until after the plan year closes limits correction options."

Central to the adviser's role is plan design. Keeping up with the latest features, tools, and pertinent regulations is key. Each new client has a unique set of needs, and the more knowledgeable the adviser, the better they can meet them. A TPA specialist in plan design can be invaluable to advisers who have sold mostly 401(k) plans but recognize when some other qualified plan—e.g., new comparability, traditional defined benefit [DB], cash balance, prevailing wage, or employee stock ownership plan [ESOP]—might serve a prospect better.

"At Ascensus, we're well-versed in all these plan designs and can help the adviser and their clients determine what's right for them," says Jim Houpt, vice president of national sales for Ascensus TPA solutions. "We start by ascertaining the adviser's and client's goals for opening a qualified plan. From there, we'll help them design a plan that best fits the needs of the client."

For advisers who specialize in DC plans, partnering with a TPA versed in pension plans creates possibilities—and new markets. One might be cash balance plans. Advisers have much to gain in offering these plans—and so do potential

If you have an opportunity, Ascensus has a plan.

- Full service daily recordkeeping and plan administration
- Recordkeeping-only services, allowing advisor and client to work with TPA of their choice
- Compliance and third-party administration services
- Deep expertise in specialty retirement plans, including cash balance and prevailing wage
- Defined benefit plan design consultation and administration
- Self-directed IRA and alternative investment expertise
- Custody services through Provident Trust

clients, says Dan Kravitz, head of Kravitz, Inc., an Ascensus company. Companies can benefit from increased retirement savings for employees and owners; asset protection; forced savings; and the deductibility of employee contributions and plan-related expenses," Kravitz says.

He relates how one adviser helped a doctor's practice install a plan that benefited both doctor and staff. In this instance, the doctor's total taxable income was \$450,000. By contributing \$135,000 to a cash balance plan, he lowered that income, reducing his effective federal tax rate to roughly 20%. In addition, the plan provided a way for the doctor's staff to save for retirement.

Cash balance plans are a good solution for any such "professional practices, partner-

ships, and other small businesses where the client wants to save and defer taxes on \$100,000 to \$400,000 each year," observes Karen Shapiro, head of Dedicated Defined Benefit Services [Dedicated DB], also part of Ascensus.

Dedicated DB specializes in both cash balance and traditional DB plans—also attractive to small professional firms. Her shared clients "with financial advisers nationwide...are often high-income individuals with self-employment income," she says. "We open retirement plans that allow them to make tax-deductible contributions and can reduce their overall tax liabilities."

TPAs with intimate knowledge of such plans have time-tested procedures and experience that non-specialist advisers would not. This is why more than 14,000 plan sponsors have chosen Ascensus' TPA solutions. ■

Visit tpa.ascensus.com to learn more about the firm's unrivaled expertise.

