



**Picket Fence Financial**

THE FEE-ONLY PEOPLE

**The Picket Fence Retirement Plan:**  
*The Evolution of Small Business Retirement Plans*



## Built For Small Businesses

If you are like most small business owners, you established a retirement plan as a benefit to your employees and to build your retirement savings. You know how overwhelming the details of running a business and retirement plan can be. Now there is help. At Picket Fence, we have developed a plan focused on small business. Now you can access the same benefits and cost structure that mid-size and large companies receive. Our platform offers a comprehensive service with fiduciary support, low-cost investments, transparent fees and employee education.

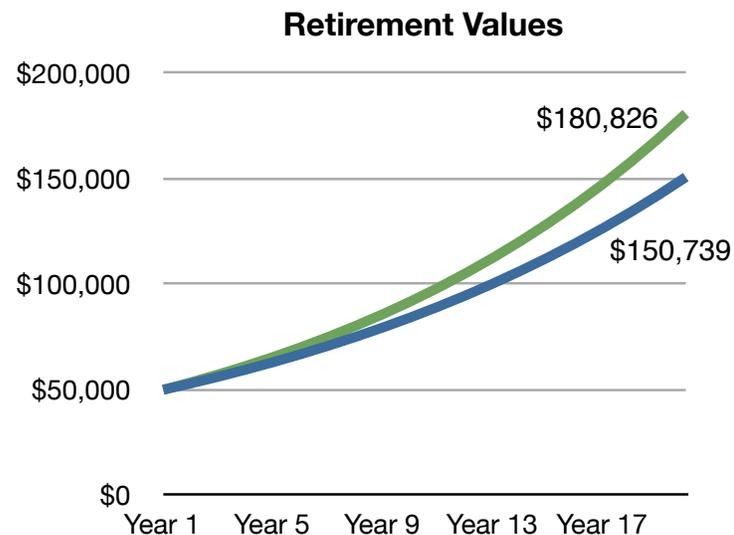
## Fiduciary Planning and Consulting

As a retirement plan sponsor, you are a fiduciary for your plan. This means you have a legal obligation to put the interests of your employees first. If you fail to do so, you can be held personally liable for plan deficiencies. Most business owners wrongly assume their broker or plan advisor handles the legal requirements for the plan. Business owners are shocked to find they are responsible for fund options, plan costs, employee education, and compliance documentation. The Department of Labor (DOL) ramped up its audit division by doubling its size in the past couple years with plans to double again in the near future. The DOL auditors are finding that 75% of plans are out of compliance. **Are you one of them?**

Picket Fence acknowledges, *in writing*, a fiduciary role, which makes us liable for the plan along with you. We work with you to establish processes to minimize corporate and personal liability. We create a fiduciary file that documents the oversight process. We then update this file on a regular basis with you so we can easily demonstrate compliance with current ERISA laws and DOL mandates. Additionally, we stand ready to handle any service issues or compliance corrections so you can focus on running your business, not your retirement plan.

## Low Cost, Transparent Pricing

Fiduciaries have an obligation to ensure that all plan fees and expenses are reasonable in light of the level and quality of services being provided. Since most small businesses have lower asset levels, the fees tend to be substantially higher than mid-to-large company plans. A 2012 study by Deloitte Consulting LLP found that plans with under 100 employees paid, on average, 2.03% per year in costs whereas a companies with 100-999 participants paid just 0.89% annually in fees. Plans with more than 10,000 employees only paid 0.49% annually. Over time, fees add up. The chart below compares a plan charging 2% (blue line) versus 1% (green line) assuming a starting balance of \$50,000 at 8% annualized returns. Over 20 years, the extra 1% costs investors 20% of their return.



By utilizing low cost index funds and Exchange Traded Funds (ETF), the Picket Fence plan offers small business owners costs usually associated with mid-and large company plans.

Additionally, our fees are completely transparent. We don't use revenue sharing, 12b-1 fees, or different share classes like most small business providers. You will know exactly what your costs are - written in plain English.

## Hypothetical Pricing Example for Picket Fence Retirement Plans

	\$500,000 Plan	\$1M Plan	\$3M Plan	\$5M Plan
Fund Costs	0.1%	0.1%	0.1%	0.1%
Picket Fence Costs	0.5%	0.5%	0.5%	0.4%
TPA Costs	0.38%	0.28%	0.18%	0.18%
Total Costs	0.98%	0.88%	0.78%	0.68%

The hypothetical example illustrates plan expenses for a 12 month period with expense ratios for Vanguard funds and ETFs as of 12/31/14. For the \$500,000 and \$1M plan, the assumed TPA is Employee Fiduciary. For the \$3M and \$5M plan, the assumed TPA is Ascensus. Actual plan fees may vary and depend on the services ultimately selected. Fees not reflected in the hypothetical example above included participant-incurred transaction fees for using certain services (loans, distributions, etc.)

### Employee Education

Study after study shows employees are not saving enough for retirement. Without proper education and advice, most participants will likely fall short of their retirement goals. Picket Fence offers educational materials that begin with enrollment and continue to retirement. To help your employees (and you) get the most out of your retirement plan, the service provides:

- bi-annual on-site education where we explain the features of the plan as well as discuss proper retirement planning and asset allocation.
- specific advice regarding their personal situation. Most providers can only provide generic advice, but we can give personalized advice since we serve as a fiduciary to the plan.
- a free copy of our book, "Retirement Made Simple."
- monthly newsletters, webinars and videos discussing retirement and investment issues.
- discounts on tax preparation and hourly financial planning advice.

### Investment Flexibility

Picket Fence offers everything from Model Portfolios to Target Retirement Funds to a lineup of 12,000 funds to a self-directed portfolio. Whatever your platform desire is, we can accommodate you.

With Model Portfolios, we help your employees pick the optimal portfolio based on their risk tolerance, age, and return needs. We take it from there. Your employees can sit relax knowing they have a professionally designed portfolio that meets their needs.

For employees who prefer to pick a fund based on their expected retirement (or as a default option for employees who don't pick the Model Portfolio or other funds), we have Target Retirement Funds.

For the employees who prefer to create their own fund lineup, our platform can offer up to 12,000 different fund options. We create a recommended fund lineup for you, but you have the option to add or subtract from our lineup.

Finally, for the true do it yourself investor, we have a self directed brokerage through TD Ameritrade - additional brokerage costs apply for this option.

## Optimal Plan Design

We help you design the optimal plan for your needs. When we take over an existing plan, we review the plan to ensure it still satisfies your needs. You may be well served by modifying some of the plan features as ERISA laws change over time. For instance, many older plans do not have a Roth option because these options weren't authorized at plan inception.

Picket Fence can handle 401(k), 403(b), 457, profit sharing, and safe harbor plans. Additionally, we have developed a defined benefit and cash balance plan, which is ideal for higher earning, older business owners with few employees. No matter what your plan needs, we can serve you.

## About Picket Fence Financial

Founded in 2006, Picket Fence Financial aims to save its clients from Wall Street through our fee-only approach. Fee-only means we do not get paid by commissions or sales fees. One-hundred percent of our compensation comes from our clients so they know our advice is tailored to their needs and not an ulterior motive. Of the 600,000 financial advisors in the United States, only 2,000 are truly fee-only.

Our founder, Kirk Kinder, CFP®, is a leader in the industry on the use of Exchange Traded Funds (ETF). He has co-authored a book on the use of ETFs and speaks frequently at industry conferences on their usage. Kirk has been featured in the Wall Street Journal, Kiplingers, Smart Money, and Money Magazine as well the local ABC, NBC and Fox TV affiliates.

## Free Retirement Plan Report Card

We offer a free, Retirement Plan Report Card where we will benchmark your plan relative to similar sized plans. With this Retirement Plan Report Card, you will discover:

1. the total costs of your plan and how it compares to similar plans.
2. if your records and documentation process complies with ERISA guidelines.
3. if your fund lineup offers proper diversification options for your employees and a proper QDIA.
4. whether your employee education program meets your fiduciary requirement.

As a plan fiduciary, one essential obligation is to benchmark your plan to industry norms. This report will allow you to show the DOL that you benchmark your plan to others.



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