



Picket Fence **Financial**

THE FEE-ONLY PEOPLE

**The Picket Fence Retirement Plan
REPORT CARD**



401(K) Report Card

Why should you do this report card? Simple – the government mandates that your 401(k) plan is structured for the benefit of your employees. You can be held personally liable if the plan isn't structured for the employees' benefit. This means you, as a fiduciary, have to cough up your personal assets to make the plan whole.

A key activity the Department of Labor expects you to conduct to ensure an employee focused plan is benchmarking your plan. This report card helps satisfy that requirement.

Scoring

A = 18-20 points

B = 15-17 points

C = 12 -14 points

D = 9 - 11 points

F under 9 points

Cost

Review the cost of each service provider to determine your total cost to the company and employees. This includes Third Party Administrator (TPA) fees, investment advisor fees, trading fees, and mutual fund expense ratios.

Less than 1%	4 points
1% -- 1.25%	3 points
1.25% - 1.5%	2 points
1.5% - 1.75%	1 point
Greater than 1.75%	0 points

Fiduciary Requirements (every YES answer equals one point)

1. Fiduciaries are identified in writing and accepted responsibility	YES	NO
2. Fiduciaries conduct annual training on their responsibilities	YES	NO
3. Fiduciaries regularly benchmark plan to trends/competitors	YES	NO
4. Audit plan operations to ensure compliance with plan documents	YES	NO

Investment Advice (every YES answer equals one point)

- | | | |
|---|-----|----|
| 1. The investment advisor signed a contract to serve as a fiduciary | YES | NO |
| 2. The investment advisor conducts regular employee education | YES | NO |
| 3. Conducts a bi-annual investment committee with fiduciaries | YES | NO |
| 4. Establishes a specific, written Investment Policy Statement | YES | NO |

Employee (Plan Participant) Issues

(every YES answer equals one point)

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|--|-----|----|
| 1. Employees receive education on investment options and plan operations | YES | NO |
| 2. Employees have the option to use model portfolios | YES | NO |
| 3. Employees received 404(c) and Safe Harbor notice, SPD, Fund information | YES | NO |
| 4. Employees risk assessed to ensure investments match risk tolerances | YES | NO |

Fiduciary Recordkeeping (every YES answer equals one point)

- | | | |
|---|-----|----|
| 1. Company has a fiduciary audit file | YES | NO |
| 2. Company has current agreements and invoices for service providers | YES | NO |
| 3. Documents Investment Policy Statement and all reviews conducted | YES | NO |
| 4. Copies of all plan documents (5500, SPD, Adoption agreement, etc.) | YES | NO |

Picket Fence Financial conducts 401(k) report cards for companies at no cost. This report expands upon the information provided here and gives the company a checklist of tasks to bring the company into compliance. If you are interested in having Picket Fence Financial conduct the report card, please contact Kirk Kinder at 410-878-2999 or kirk@picketfencefinancial.com.

Picket Fence Financial saves its clients from Wall Street. In the 401(k) market, Picket Fence developed a plan that provides small businesses with institutional pricing and features usually reserved for large and mid-sized companies.