



Innovative

**MYTH
SERIES**

**#1 I CAN RELY ON MY
RECORDKEEPER TO
MANAGE TERMINATED
EMPLOYEES**

With Innovative You Can

HOW MUCH ARE YOUR TERMINATED PARTICIPANTS COSTING YOU?

THE PROBLEM:

Innovative's retirement team was hired by a Cherry Hill, NJ company to be the financial advisor and co-fiduciary for their 401K plan. As part of our normal on-boarding process for clients, Innovative completed an analysis of their current plan operations to ensure they were running efficiently. Our analysis revealed a significant number of terminated participants with balances. After digging a little deeper, we realized that the recordkeeper, who is paid "per participant with a balance", never instituted the auto rollover feature provision contained in their plan document. This feature allows the employer to force out any terminated participant with a vested balance under \$5,000.

THE RESULT:

We found 138 terminated participants that could be removed from the plan. The plan sponsor was paying over \$95 per participant per year for each, resulting in a savings of over \$13,000 per year for our client. Plus, their removal from the plan significantly reduced the client's labor-hours consumed meeting fiduciary responsibilities for the terminated employees.

Most recordkeeping firms are not fiduciaries. Their policies can make it challenging for plan sponsors, who are fiduciaries, to manage their plans efficiently. Let Innovative perform a free, no obligation, review of your plan.



FAST FACTS

- Client is a mortgage lender
- Plan type 401K
- 200 employees

HOW WE HELPED THE CLIENT

138 Found 138 terminated participants that could be removed

40% Saved Client 40% in Participant Fees



Reduced client's labor-hours managing fiduciary obligations.



PARTNERING WITH YOU TO PROVIDE SOLUTIONS

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