# PLAN SPONSOR ACADEMY

# Market Performance:

## Tips for Addressing Employee Concerns and Prudent Plan Management

### 1. Acknowledge Your Employees’ Concerns

The current state of the market can be alarming as employees hear the news and worry about the impact to their investment accounts. It’s important to recognize these concerns and provide resources to help calm fears.

### 2. Advise Employees to Consult Your Plan Advisor or Personal Financial Advisor

Since everyone’s investment goals and situations are different, it is best practice to advise employees to consult your retirement plan advisor. Employers should refrain from providing any financial or investment advice regarding a participant’s personal finances or investment account. The Innovative team is prepared to consult with plan participants, evaluate their circumstances, risk tolerance, and offer guidance on their investment accounts, if requested.

### 3. Offer an Informational Webinar

Work with your retirement plan advisor to provide your employees with an educational webinar that reviews the current market landscape, historical trends and considerations moving forward. Arming your employees with facts and resources will provide them with the reassurance they may need. For help in providing a webinar, please contact us.

### 4. Review the Diversification of your Plan's Investment Options

This is a good time to review the diversification of the plan's investment lineup. As market values have changed, you want to ensure that participants have an opportunity to diversify their investments going forward.

### 5. Evaluate Your Current Loan Policy

In light of the economic and market conditions, it may be advisable to review your loan provisions to anticipate the needs of your employees and their families. If your plan allows loans, the loan policy outlines the rules involved, including the number allowed at one time, the frequency, and repayment terms. In addition, plan sponsors should review their plans default loan cure provision. The cure provision is the period of time before a loan in default will be deemed a distribution. Extending the timeframe within the cure provision to the maximum amount allowed under the law will benefit participants.

### 6. Hardship Distributions

If your plan does not allow hardship distributions, it may be advisable to review this restriction in light of the current environment. However, if your plan allows for them, we recommend that you review the allowable sources for those distributions.

### 7. Review Participant Distribution Options

Understand the flexibility and the options available under your plan for employee loans and other types of distributions. If employees need to take a loan or distribution, how can they do it? Does your current provider allow participants to direct any type of distribution from a specific investment or must the distribution be taken pro rata?

To review your options, feel free to contact Innovative Investment Fiduciaries. We have extensive experience guiding plan sponsors through these decisions. As a CEFEX certified advisor, our fiduciary processes have been vetted and confirmed as following the best industry practices.