

Annual review agenda and discussion guidelines

Use your annual review to best determine if the 401(k) plan is meeting the needs of your client and their employees.

TOPIC **1** **Previous meeting recap**

Review minutes from previous plan meeting

Use this time to discuss your client's opinions on the frequency, topics covered, suggestions made, and usefulness of the information offered during your meetings.

TOPIC **2** **Investment review**

Confirm or revise existing plan goals

Examine plan investment performance

Discuss any potential changes to investment menu

Examine IPS and compliance with IPS and, if appropriate, discuss revisions to IPS

After you have discussed plan investment performance, investment menu and the IPS, ask your client for feedback on the review and change process. Review the Education Policy Statement (EPS) to ensure compliance with the EPS, and as appropriate, discuss revisions to the EPS.

TOPIC **3** **Participant education, enrollment meetings and communications**

Review participant education and communications

Evaluate enrollment meetings and communication

Examine Education Policy Statement

Discuss meetings in specific detail to understand if the topics covered are appropriate, increase understanding and participation, and are held frequently enough.

Services review

Review service provider performance

Discuss how well the plan Recordkeeper/third-party administrator (TPA) is meeting your client's needs. Consider discussing your client's opinions on the following:

- **Client servicing.** Assess if your client is highly satisfied with the education/knowledge level, completeness of answers and general demeanor of your client service representatives at the TPA.
- **Plan reports and data requests.** Ask your client if the TPA provides plan reports in a timely and accurate fashion and in a way that is easy to use (along with other requests they make for plan/participant data).
- **Current plan services.** Check in to see if your client is satisfied with your current recordkeeping services.
- **New plan services.** Ask your client if any new services implemented were done so in a quick and organized fashion.
- **Plan testing and 5500 Form.** Make sure that your client received the information in a way that was clear and understandable. Also inquire as to the timeliness of test results and related follow-up.
- **Participant statements.** Inquire to see if these were provided on a timely basis, based on your client's preference (print, web, or both); provided good detail; and were easy to read.
- **Participant service representatives.** Check in to see if your clients are highly satisfied with the education/knowledge level, completeness of answers and general demeanor of the representatives who answer participant questions at the TPA.
- **Participant VRU/website.** Get your client's opinion on the VRU and website. Discuss whether the site is easy to use, updated frequently enough, offers appropriate services and provides good detail for participants.

Services review (continued)**Review Financial Professional service delivery**

Discuss the following topics:

- **Fees.** Make sure your client is satisfied that the information you are providing in this regard helps them to review and understand whether your fees are reasonable.
- **Compensation.** Ensure that your client understands how you are compensated for supporting their plan. Also check to make sure that the client has the necessary information for their files. Ask them if they would like a separate meeting to discuss different fee types and their implications (flat fee, asset based, 12b-1, sub-TA, commissions, etc.).
- **Plan design.** The annual review meeting is a good opportunity to discuss any changes in your client's business needs so that you can come back with suggestions for changes to the Plan Document that might improve plan participant outcomes, reduce plan costs or improve plan benefits in some way.
- **Plan administration and recordkeeping.** Bring up this topic so that you can reinforce your value as a trusted resource for when participant records or plan-wide testing questions arise. Offer suggestions for adding new services and streamlining current services, if appropriate.
- **Overall service.** Discuss your client's satisfaction with you and the members of your team (as applicable) in being proactive and providing suggestions before problems and concerns arise.

Review 404(c) compliance (if applicable)

Provide guidance on how to establish procedures and take steps to help minimize fiduciary risk. Address any concerns that your client may have related to this important topic.

Industry and regulatory update

Review changes in law, regulations pertaining to plan features.

Discuss if you are offering value to your client in this regard, in particular with regard to providing education on fiduciary implications and requirements.



Annual review letter

Sample letter:

Dear *[name]*,

I'm looking forward to our annual review for the *[name of plan]* scheduled for *[date]*.

To help prepare for that meeting, I've enclosed an agenda as well as a year-end service checklist that summarizes what we've accomplished during the year. Please look this information over and consider any adjustments you think may be appropriate for the year ahead, such as the services provided or their frequency of delivery. We can discuss any/all adjustments during the annual review process.

Yours,
[name]

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