Retirement Times

May 2020

Should your Company Implement a Student Loan Assistance Program?

The simple answer is yes! By doing so, you'll attract, retain and engage top college-educated talent at your company.

Twenty-six percent of the U.S. workforce and 69 percent of 2018 college graduates are encumbered by student loans, with the national total student loan debt total climbing steadily towards $1.6T. Student loan assistance has quickly become the #1 benefit desired by college-educated talent. For many, getting out from under student debt is a more meaningful accomplishment than:

- Graduating college
- Getting their first job
- Receiving a promotion

When employers offer student loan assistance, they quickly notice three improvements:

THEY HIRE TOP TALENT 13 PERCENT FASTER

The Bureau of Labor Statistics reports[1] that August's U.S. unemployment rate was 3.8%, and college-educated unemployment[2] was even lower at 2.0%, continuing the trend where unemployment rates have reached their lowest point in over 50 years.

In today's highly competitive market for talent, offering student loan assistance as a benefit is the best way for employers to attract the right people, and fast. The Millennial Benefit Preferences Study[3] found that 85 percent of respondents would accept a job offer if student loan repayment was included.

EMPLOYEE TENURE INCREASES BY 36 PERCENT

Job hopping is high and replacing talent is expensive and time-consuming. Recruiters must spend both time and money on finding the perfect replacements, and there is often a decrease in overall company productivity after an employee departs.

Employers who make contributions to workers' student debt engage them in a meaningful way, and in turn, save on costs of recruitment and turnover.

GENDER AND CULTURAL DIVERSITY IMPROVE

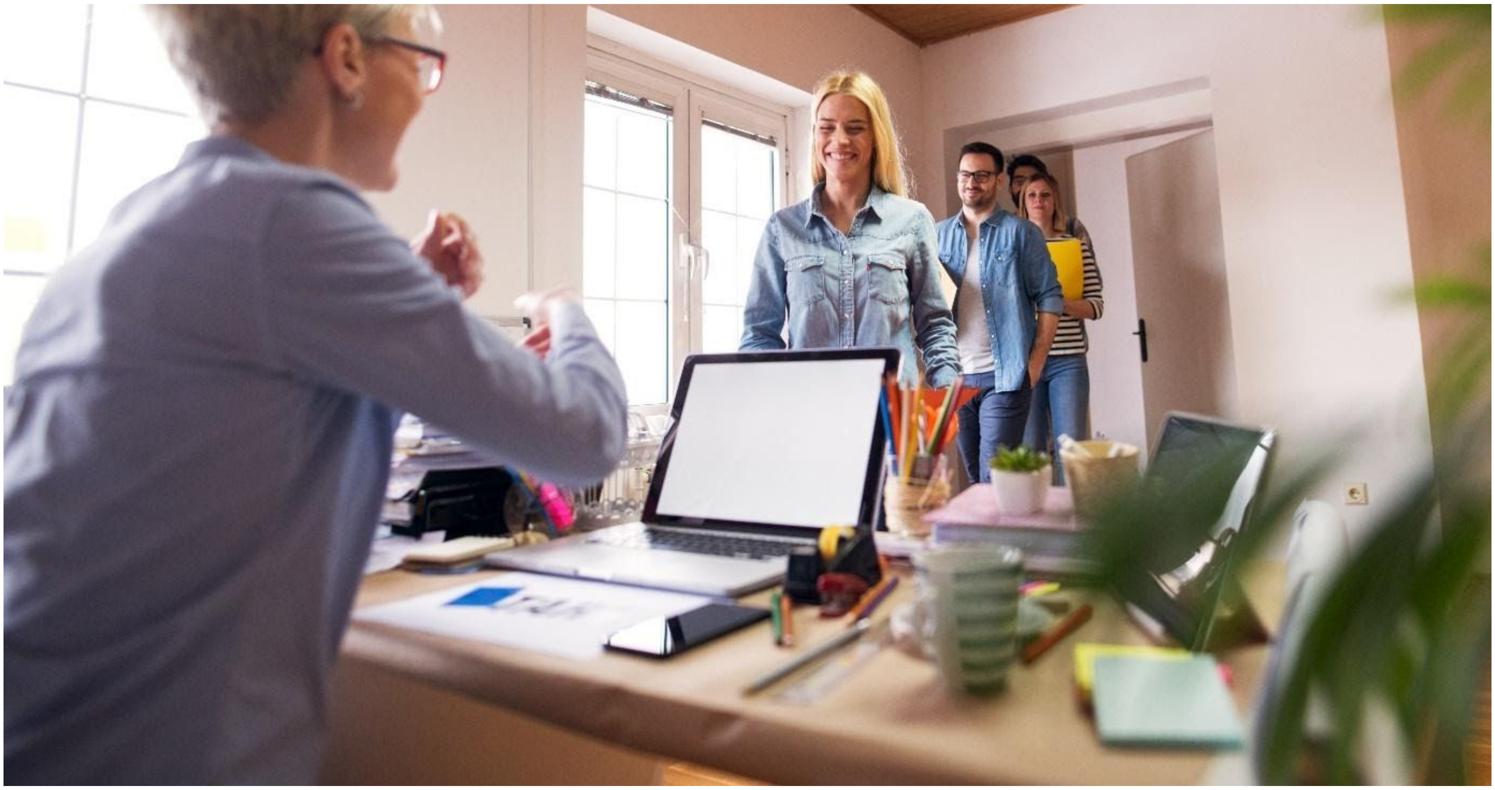
Did you know?

- 2/3 of student debt is held by women
- African Americans and Hispanics, on average, hold two times more student debt than their white peers

Companies that help pay down student loans can capitalize on a unique opportunity to engage these often underrepresented groups and accelerate the positive impact of gender and cultural diversity within their workplace and beyond.

Peanut Butter is a benefit administration firm built from the ground up to help employers attract, retain, and engage college-educated talent by providing student loan assistance. Are you ready to offer the benefit that 33% of U.S. workers (and 55% of Millennials) are calling a "must have?" Visit getpeanutbutter.com today to get started.

1. https://www.bls.gov/news.release/pdf/empsit.pdf
2. https://www.bls.gov/news.release/empsit.t04.htm
3. https://www.getpeanutbutter.com/download-millennium-benefits-study/



Complying with ERISA 404(c)

According to ERISA, plans intending to comply with 404(c) must ensurethat participants: Have the opportunity to choose from a broad range of investment alternatives (which are adequately diversified); may direct the investment of their accounts with a frequency which is appropriate; and can obtain sufficient information to make informed investment decisions. The plan sponsor must provide annual written notification to participants with its intent to comply with 404(c), and be able to provide the following:

- Information about investment instructions (including contact information of the fiduciary responsible for carrying out participant investment instructions);
- Notification of voting and tender rights;
- Information about each investment alternative; and
- A description of transaction fees and investment expenses.

Compliance with section 404(c) of ERISA protects plan fiduciaries from liability for losses that result from the investment decisions made by participants. Conversely, failure to comply with 404(c) could result in liability for losses due to poor investment decisions made by plan participants. To comply with some of the important requirements of 404(c), you should execute a formal 404(c) policy statement and employee notice and send the notice at least annually to all employees.

For more information on complying with ERISA, please contact Kevin Donahue AIF®, CRPC® at kevin@risensonfinancial.com

Are You Ready for an Audit?

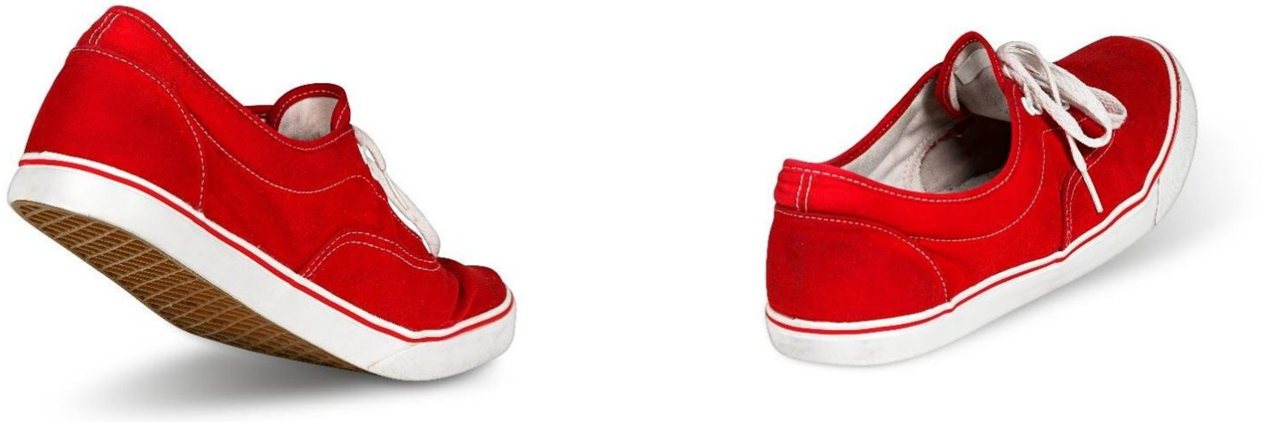
Several events can trigger a DOL or IRS audit, such as employee complaints or self-reporting under the annual submission of the Form 5500. Oftentimes an audit is a random event, which is why you should always be prepared. Listed below are several key items typically requested in an initial letter sent by the IRS or the DOL in connection with a retirement plan audit. These items should be readily accessible by the plan administrator at all times the plan is in operation.

- Plan document and all amendments
- Summary plan description
- Investment policy statement
- Copy of the most recent determination letter
- Copies of Forms 5500 and all schedules
- Plan's correspondence files (including meeting minutes)
- Plan's investment analyses
- ADP and ACP testing results
- Most recent account statements for participants and beneficiaries
- Contribution summary reports (i.e., evidence of receipt of these monies by the plan's trust)
- Loan application, amortization/repayment schedule (for all loans)

If you have questions about preparing for an audit, or need plan design review assistance, please contact Kevin Donahue AIF®, CRPC® at kevin@risensonfinancial.com

THIS MONTH'S PARTICIPANT MEMO:

Four Basic Steps for a Successful Retirement



We know that most plan participants are not financial experts, and that can make planning for retirement difficult. Fortunately, there are some basic steps that you can follow to work toward a successful retirement.

LEARN THE BASICS OF SAVING AND INVESTING.

Understand the basic types of investment products, like stocks, bonds, and money market accounts. Each of these has its risks and rewards, and plan participants should know what those are, and how they can fit together in an investment portfolio. Plan participants should have a firm grasp on what their retirement plan offers and how they can benefit from that.

AVOID COMMON MISTAKES.

Not diversifying, not rebalancing asset allocations, becoming too emotional, and not having an investment plan: these are all common errors that you might make. The best way to avoid these mistakes is by starting with the last item on that list, an investment plan. Developing a sound investment program could be one of the best paths to retirement.

FOCUS ON THREE CRITICAL COMPONENTS OF AN INVESTMENT PLAN.

While some things, like bull and bear markets, are beyond your control, there are three things you do control: When to start saving, how much to save, and when to retire. Starting sooner and saving more have much more to do with a successful retirement than the actual returns their investments make. Deciding when to retire is crucial, as well. Delaying retirement means more time for investments to potentially grow.

MONITOR THE PLAN, AND ADJUST AS NECESSARY.

A strong investment program should evolve as your circumstances change. Changes in income, new family members, financial windfalls or setbacks, or any other major event in your life should trigger a financial review to make sure you're still on track for retirement.

RISEN SON FINANCIAL
Your Retirement Plan Partners

Helping Employers Manage Their Retirement Plans with Confidence

Our Mission

Risen Son Financial strives to help employers reduce the cost of their retirement plans and the liability of their responsibilities by naming ourselves as fiduciaries to the plan and participants. We believe this builds the foundation to help employees reach their ideal financial future, through one-on-one education, risk analysis, and financial planning.

Why Us?

Based in Land O' Lakes, Florida, Risen Son Financial serves as retirement plan partners and investment fiduciaries for large and small businesses across the nation. Fulfilling the duties of good faith and trust, clients choose us knowing we will go above and beyond. As an Independent Financial Advisor, Risen Son Financial represents clients to the marketplace without any bias or conflicts of interest. We're accountable to you and your best interests. Risen Son Financial serves as a named fiduciary for both the plan and participants. As your Plan Fiduciary, we evaluate plan design, mitigate risks, conduct reviews, and offer solutions helping to improve performance. As Participant Counselors, we also serve as fiduciaries providing customizable advice and resources for the participants.

Our Process

At Risen Son Financial, our first step is to review the current cost and value being received by the plan. We can do this by reviewing the 404(a)(5) (participant fees) and 408(b)(2) (plan fees) disclosures that plans are required to distribute and receive from vendors. If these are not readily available, we can also review fund lineups and statements.

We meticulously review the retirement plan, including these 4 costs:

1. Recordkeepers – Receive funds from the employer and employee paycheck. Their main responsibility is to keep record of the contributions a participant receives and investment gains. Additionally, recordkeepers do the buying and selling of investments that the participant chooses, while also providing a website and quarterly statements.

2. Administrators – Make sure the plan meets the requirements set forth in the IRS code. They handle, testing, compliance, vesting, eligibility, loans, and withdrawals. Many times, administrators are "bundled" with the recordkeeper.

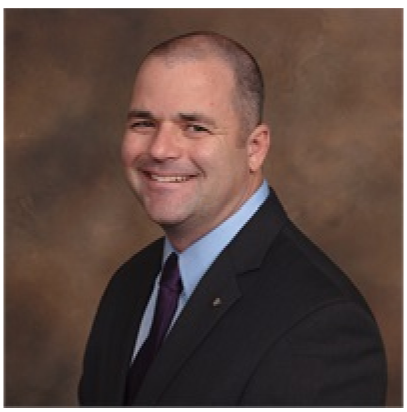
3. Investments – Contributions are deposited into investments. They have their normal expense ratio; however, these often come loaded with internal fees like 12b-1, sub-TA, concession and wrap. This is called "indirect compensation" or "revenue sharing." Often, an investment company will pay the recordkeeper a fee to be included in the investment lineup.

4. Advisors or Brokers – There is a difference. As a named fiduciary to the plan and participants, Advisors give advice, recommendations, and/or have discretionary control of investments, along with being the quarterback of the plan. This includes benchmarking all fees paid to vendors and shopping plan costs to keep fees reasonable. Advisors are held to the best interest standard. In contrast, Brokers are held to the suitability standard. Brokers can't give advice nor can they name themselves as a fiduciary to the plan. Brokers sell a product as a representative of a larger entity.

Once all fees are known, we benchmark those fees and services being received to the open market. We then use this benchmarking to get the cost of the plan reduced. We accomplish this by either going to the current provider to have them reduce the cost or moving the plan to a platform that will, along with providing for the needs of the plan. Being completely independent we can work with all providers which allows us to provide conflict-free and bias-free advice.

About Kevin Donahue, CRPC®, AIF®

Kevin Donahue is the owner of Risen Son Financial. After serving four years in the United States Navy, he graduated from Florida State University in 2004 earning a bachelor's in Computer Science and a minor in Mathematics. Seeing firsthand, the impact of retirement saving and planning with his own parents, Kevin entered the financial services business to pursue his passion of helping clients meet and exceed their financial goals and visions. During his career, Kevin has passed and/or currently holds the series 6,7, 63 and 65 exams along with obtaining Chartered Retirement Planning Counselor (CRPC) designation from the College for Financial Planning. This designation encompasses pre-and post-retirement needs, wealth management, estate planning, and the entire retirement planning process. Additionally, he holds the Accredited Investment Fiduciary (AIF), which empowers investment professionals with the fiduciary knowledge and tools they need to serve each client's best interests.



Kevin resides in Land O' Lakes, with his wife Brittany and their twin boys Andrew and Noah.