

PROMOTING PLAN SUCCESS

PLAN DESIGN FOCUSED ON EMPLOYEE RETIREMENT READINESS

BEST PRACTICES CHECKLIST

SAVE NOW AND SAVE MORE

BEST PRACTICES	IMPLEMENTED	NOT IMPLEMENTED	CONSIDERING
Eligibility: no service or age requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Automatic enrollment: default deferral rate 6%-10%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Re-enrollment: for both contributing and non-contributing participants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Automatic contribution escalation: mandated and up to 12%-15% ¹	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employer match: no waiting, innovative formula used (i.e. stretch match)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Auto rebalancing: annually or semi-annually	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Withdrawals and loans: access limited, more education provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consolidations: roll-in program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INVEST PROPERLY

BEST PRACTICES	IMPLEMENTED	NOT IMPLEMENTED	CONSIDERING
Investment choices: consolidated fund menu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
QDIA: combined with automatic enrollment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Custom TDF: tailored to plan demographics ²	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managed Accounts: offered and educating with targeted messaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Roth 401(k) contributions: offered and educating with targeted messaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ Plan sponsors seeking the protections of the ERISA 404(c) or Qualified Default Investment Alternative (QDIA) safe harbors can elect any contribution escalation percentage with no maximum, and are not restricted by a 10 percent maximum contribution escalation percentage. The only instance in which a 10 percent limit applies is if the plan sponsor wishes to adopt the Qualified Automatic Contribution Arrangement (QACA) safe harbor included in the Pension Protection Act (PPA) if they have trouble satisfying the nondiscrimination compliance testing requirements of the Internal Revenue Code (IRC).

² The target date is the approximate date when investors plan to start withdrawing their money. The asset allocation of target date funds will generally become more conservative as the fund nears the target retirement date. The principal value of the fund is not guaranteed at any time, including at the target date. Investing in mutual funds involves risk, including possible loss of principal.



INCREASE PARTICIPANT FINANCIAL LITERACY

BEST PRACTICES	IMPLEMENTED	NOT IMPLEMENTED	CONSIDERING
Concepts, Methods & Tools: simplified, help focused, tailored, engaging, offered through various mediums	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Wellness Program: comprehensive approach	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment Advice: one or more of the following advice options offered -phone, online or in person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

YOU'RE IN CONTROL OF THESE POWERFUL PLAN DESIGN MECHANISMS

Promote employee retirement income adequacy success for your plan.

HELP IS AVAILABLE

Contact an experienced LPL Financial Professional for the tools, information and resources you need to make informed decisions and take advantage of best practices that can benefit your plan, your participants, your business and help satisfy your fiduciary duties.

This material was prepared by LPL Financial, LLC.

This information is not intended as authoritative guidance or tax or legal advice. You should consult with your attorney or tax professional for guidance on your specific situation. For plan sponsor use only. Not for use with participants or the general public.



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