



Prepared for:

## **ABC Company**

**Financial Advisor:** 

James C. Advisor, CFP®



Citadel Wealth Management

loring Sward Total Retirement



As a business owner or retirement plan trustee, how do you meet your fiduciary obligations to employees? How can you be sure that your employees have the best retirement plan possible? How can you provide them with investment advice? And how can you do all this in a way that keeps you focused on running your business?

Consider these 5 **RETIREMENT PLAN ESSENTIALS**. At Loring Ward Total Retirement, we believe that these essentials will help ensure a superior retirement plan experience for you and your employees.



These 5 Retirement Plan Essentials are the building blocks for a successful retirement plan: a plan that reduces your fiduciary liability, and will help your employees gain confidence in a more secure retirement.

# Work With an ERISA 3(38) Fiduciary

Few retirement plans have an ERISA 3(38) fiduciary as the Investment Manager for the plan. ERISA 3(38) fiduciaries (such as Loring Ward) have a duty of loyalty to the plan and its participants. They must act in your best interests. Don't be confused by "fiduciary guarantees" or "fiduciary warranties" offered by some companies; some may actually *deny* fiduciary responsibility. To reduce your legal liability, work with an ERISA 3(38) fiduciary who will accept this appointment in writing. Your retirement plan deserves the loyalty and expertise of an ERISA 3(38) fiduciary.

What You Want	What You Get			
	Type of Investment Advisor to Plan			
	Salesman/Broker	ERISA 3(21) Limited Scope Fiduciary	ERISA 3(38) Fiduciary / Investment Manger	
The Plan Sponsor can delegate significant fiduciary risk to Loring Ward as the Investment Manager.	x	x	$\checkmark$	
The Investment Manager has fiduciary responsibility.	x	x	$\checkmark$	
The Investment Manager will manage, monitor, and rebalance the retirement portfolios.	x	x	$\checkmark$	
The Investment Manager is interested in reducing plan investment costs.	x	Maybe	$\checkmark$	
The Investment Manager provides advice with accountability.	x	Maybe	$\checkmark$	

"Salesperson" No Fiduciary Status	ERISA 3(21) Limited Scope Fiduciary	ERISA 3(38) Fiduciary / Investment Manager	
Stock Brokers, Insurance Agents, Most Banks, Brokerage and Insurance Firms	Some RIA Firms, a Few Brokerage Firms and Banks	A Small Number of Specialized RIA Firms; a Few Other Entities	
No Reduction of Risk	No Meaningful Reduction of Risk	Legal Reduction of Risk	

An ERISA 3(38) investment fiduciary "takes on much of the decision making" and "virtually all of the fiduciary responsibility" in the plan, according to well-known ERISA attorney Fred Reish<sup>1</sup>.

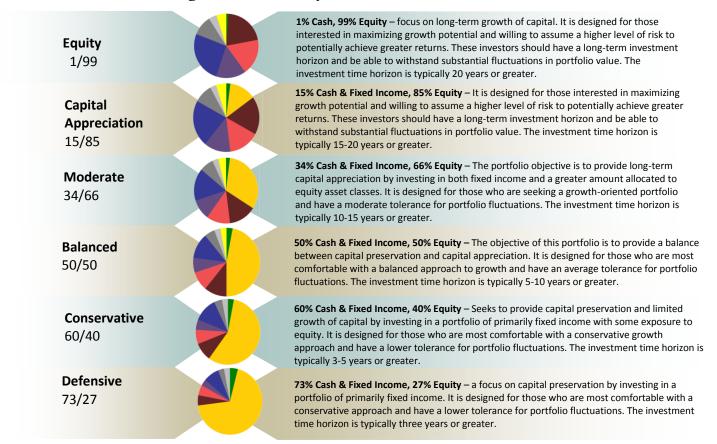
## *Provide Prudent Portfolios*

Many retirement plans provide employees with an overwhelming number of mutual fund options. This can confuse employees and may lead them to make unsuitable investment decisions. What employees need is a simple solution that will give them a professionally-built, globally diversified portfolio based on their goals, time horizon and comfort with risk.

Loring Ward manages more than \$5 billion<sup>2</sup>, and has been providing prudent Structured Investing solutions for 20 years, to thousands of clients throughout the United States. Your employees can easily select a fully-diversified portfolio.

Flexibility: Additional mutual funds and selfdirected brokerage accounts can be added to your Plan's investment options.

#### Structured Investing – Global Portfolio Series



### *Insist on Fee Transparency*

As a retirement plan trustee, you have a legal obligation to know and understand all fees. This is nearly impossible without fee transparency. Do you know *all* the fees in your plan? Some 401(k) providers make it difficult to understand the true cost of their plan. Often their fees are much higher than you might think. You should know clearly every fee paid, and to whom. The solution is to insist on fee transparency.



"This witch's brew of hidden fees, conflicts of interest and complexity in applications is at odds with investors' best interests."

> SEC Chairman Christopher Cox (Speaking on retirement plans<sup>3</sup>)

## *Optimize Plan Design*

#### Does your plan meet the needs of all employees?

What about owners and top management – would you like to contribute more to retirement?

No single retirement plan is best for every company. Many companies have a poorly-designed plan that doesn't fit their needs or suit their objectives. Loring Ward Total Retirement's team can help you design a retirement plan that is just right for your company.

- 401(k) Plans
- Profit Sharing
- Defined Benefit
- 403(b) Plans
- 457 Plans
- Combination Plans



## *Educate, Advise, Monitor*

#### Ask yourself:

*Is my current financial advisor* . . .

- Providing investment education to my employees?
- Advising me about my fiduciary duties?
- Actively helping me to reduce my potential legal liability?
- *Monitoring the plan and reporting to me on a regular basis?*

A salesman makes the sale and leaves. An independent financial advisor working with Loring Ward Total Retirement is with you every step of the way to educate and advise trustees and employees, and to monitor the plan. Working closely with Loring Ward Total Retirement, your financial advisor is committed to the long-term success of your plan.



#### FEE SCHEDULE

Plan Type: <<Plan\_Type>>

Plan Name: «Plan\_Name» Total Plan Assets: \$«Assets» Total Plan Participants: «ParNo» Average Account Balance: \$«Avg»

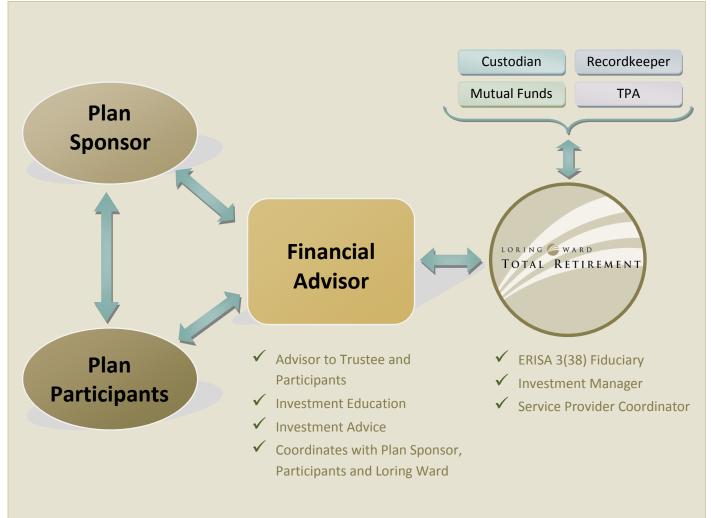
Initial Fees (one time)

«Start_Fee»	Total Setup Fee	es (one time):	\$ <b>\$</b>	«NewF» «InitFee»				
Annual Recordkeeping, Administration, & Custodial Fees								
Recordkeeping Fee TPA Fee Custodial Fee	Total Recordkeeping & Admin Fees:		\$ ~ \$ <b>\$</b> - <b>\$</b>	«Base_Fee» «XXXX» Included «AdminD»				
Investment Related Expenses								
Mutual Fund Expense Ratio Investment Advisor Portfolio Management	0.33% «AIP» «PMP» Total Annual Investment Related		\$ \$ <b>\$</b>	«MF» «IADD» «PMD» <b>«InvD</b> »				
Total Annual Recurring Fees		«TotalP»	\$	«XXXX»				
Notes:	Plan Assets \$0 - \$999,999 \$1,000,000 - \$2,999,999	Investment Advisor «Tier_1» «Tier_2»	Loring Ward (Investment Manager) «Tier_1a» «Tier_2a»					
	\$3,000,000 - \$4,999,999 \$5,000,000 and above	«Tier_3» «Tier_4»	«Tier_3a» «Tier_4a»					

Proposal Valid for 90 days «Date»

Quoted fees based on above stated plan assets, participants, and plan design.

#### RETIREMENT PLAN TEAM



#### Independent professionals working together for your success



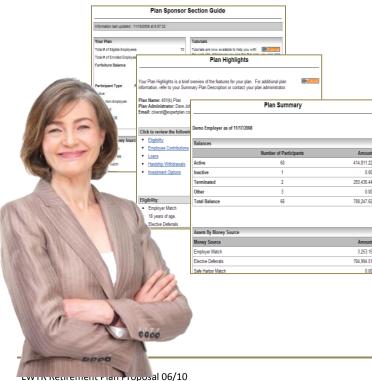
#### SERVICE AND TECHNOLOGY



Plan Participants can enroll and manage their investments with easy online access.



#### Plan Sponsors can easily monitor and manage their plan information online.



- Quick and easy online enrollment
- Integrated payroll providers available
- Online and telephone access for plan participants and plan sponsors
- Access for plan participants to easily change investments
- Customized account reporting including transactions and return information
- Online loan, rollover and distribution requests

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- Signature-ready Form-5500 and related schedules
- Advanced plan design capabilities with full integration
- Professional investment portfolios, plus flexibility to add mutual funds or selfdirected brokerage accounts.

#### NEXT STEPS

## Implementing Your Plan

Loring Ward Total Retirement makes implementing your plan easy.



#### Step 1 – Getting Started

- Sign the plan agreements
- Give documents required for conversion (if applicable), along with your check to your Financial Advisor
- Documents for your new plan will be created and sent to you for signature



#### Step 2 – Enrollment

- Email notification sent to employees with instructions for easy online enrollment
- If desired, you may request financial advisor meetings with participants for education and enrollment instructions
- Employees select their investment portfolios and contribution amounts



#### Step 3 – Maintenance

- Financial advisor provides ongoing support for participants and plan sponsor
- Your plan includes streamlined processing and funding of participant contributions
- Loan approval, distribution and rollover requests are approved electronically
- Annual census updates will be completed by plan sponsor.
- Financial advisor and sponsor will work together to complete an annual Fiduciary Checklist
- Plan sponsors and participants have easy and direct access to their Account Management Service Team via telephone and/or email

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<sup>1</sup> Fred Reish, Just out of Reish: Menu Monitors 5/27/2010

<sup>2</sup> as of 03/31/2010

<sup>3</sup> Address to the National Italian-American Foundation, By Chairman Christopher Cox, New York City, May 31, 2007.

Investment advisory and administrative services provided by LWI Financial Inc. ("Loring Ward").

Loring Ward is considered to be an investment manager under §3(38) of the Employee Retirement Income Security Act of 1974 (ERISA) only for the Loring Ward Total Retirement Portfolios in accounts administered by Loring Ward. Plan advisors and trustees may have other fiduciary obligations independent of those which are assumed by an ERISA §3(38) investment manager.

For any questions regarding Loring Ward Total Retirement, please contact 800-988-3755 or visit us on the web at www.totalretirement.com.

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