



# Retirement Savings Landscape



# Today's Agenda

1. The Retirement Crisis in America
2. State-Mandated Programs
3. The Pooled Employer 401(k) Plan
4. Customer Acquisition



# Retirement Savings in America



**59%**

**need to work longer**



36%

will never have enough to retire



**41%**

**it's 'going to take a miracle' to be ready**



# Retirement Crisis in America

**57 million** workers have no retirement plan offered through their job.

- Lack of access to a workplace plan among low and middle-income workers
- Plans are a cost & administrative burden for the SMB
- Social Security benefits projected to be compromised 2037





# SECURE Act

Setting Every Community Up for Retirement Enhancement Act

## 1.0 – 2019

SMB access to pooled retirement plans

## 2.0 – 2022

Businesses with more than 5 employees required to provide an employer-sponsored retirement savings plan





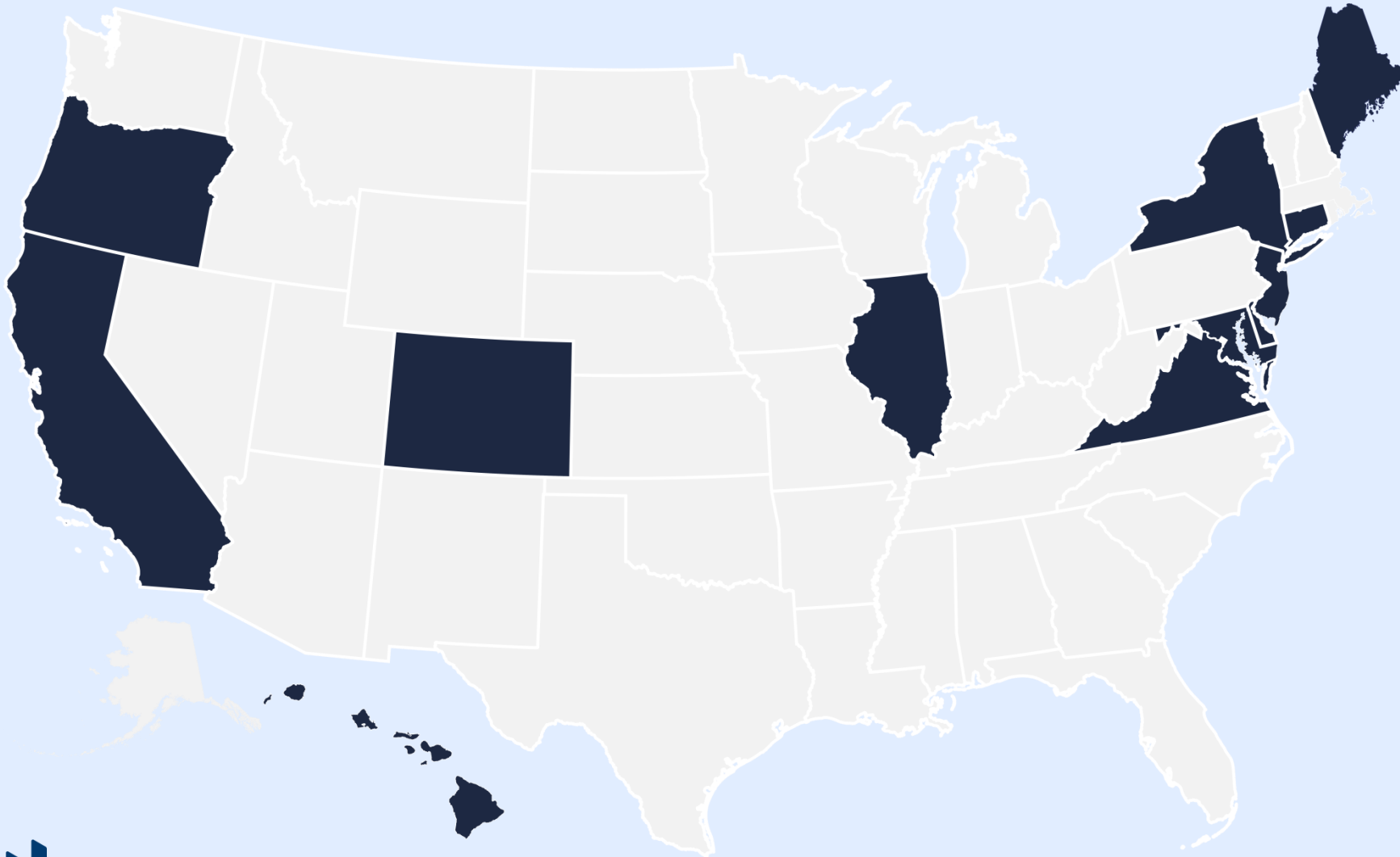
# State-Run Retirement Savings Programs

- Requires businesses of a certain size to offer a traditional or Roth IRA to employees who would not otherwise have access to an employer sponsored program.
- Auto-enroll IRAs with employee opt-out
- Some states like California have an auto-increase feature that bumps up an employee's savings rate each year





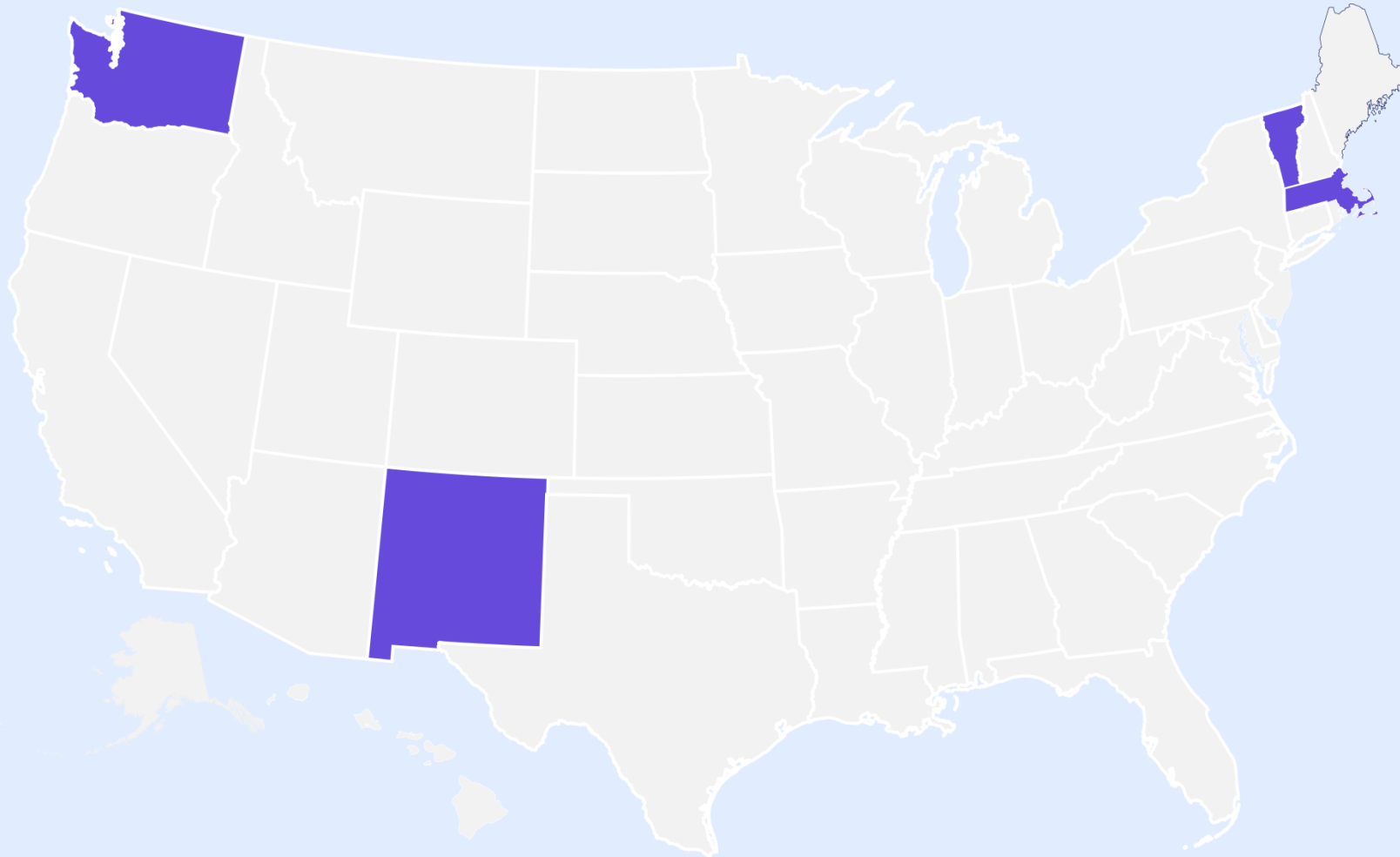
# Mandatory



- California
- Colorado
- Connecticut
- Delaware
- Hawaii
- Illinois
- Maine
- Maryland
- New Jersey
- New York
- New York City
- Oregon
- Virginia
- Seattle, WA



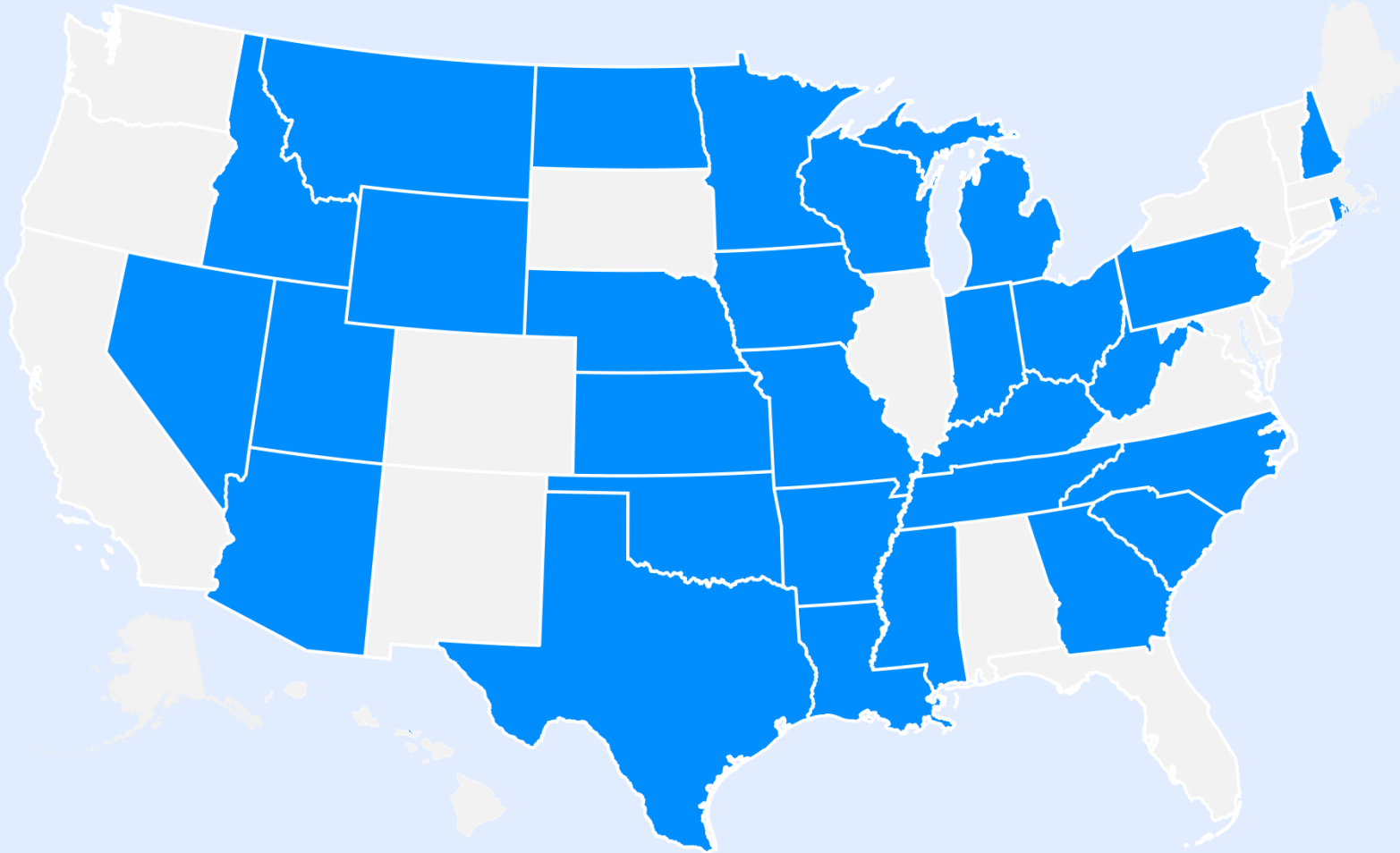
# Voluntary



Massachusetts  
New Mexico  
Vermont  
Washington



# Proposed Legislation



- Arizona
- Arkansas
- Georgia
- Idaho
- Indiana
- Kansas
- Kentucky
- Louisiana
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- Nevada
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- South Carolina
- Tennessee
- Texas
- Utah
- West Virginia
- Wisconsin
- Wyoming



# IRA vs. 401(k) Contributions

	IRA	401(k)
Participant Contributions	<ul style="list-style-type: none"><li>• \$6,500 under age 50</li><li>• \$7,500 age 50 and older</li></ul>	<ul style="list-style-type: none"><li>• \$22,500 under age 50</li><li>• \$30,000 age 50 and older</li></ul>
Employer Contributions	Employers MAY NOT contribute to the participants IRA	<ul style="list-style-type: none"><li>• Employers MAY match a portion of participant contributions.</li><li>• Employers MAY offer profit sharing</li></ul>



# Benefits

# **YESTERDAY**

**Health Insurance  
Paid Time Off**

# **TODAY**

**Health Insurance  
Disability Insurance  
Life Insurance  
Paid Time Off  
Flex/Remote  
Tuition**

**401(k)**



**POOLED EMPLOYER**  
**401(k)**  
Retirement Savings Plan



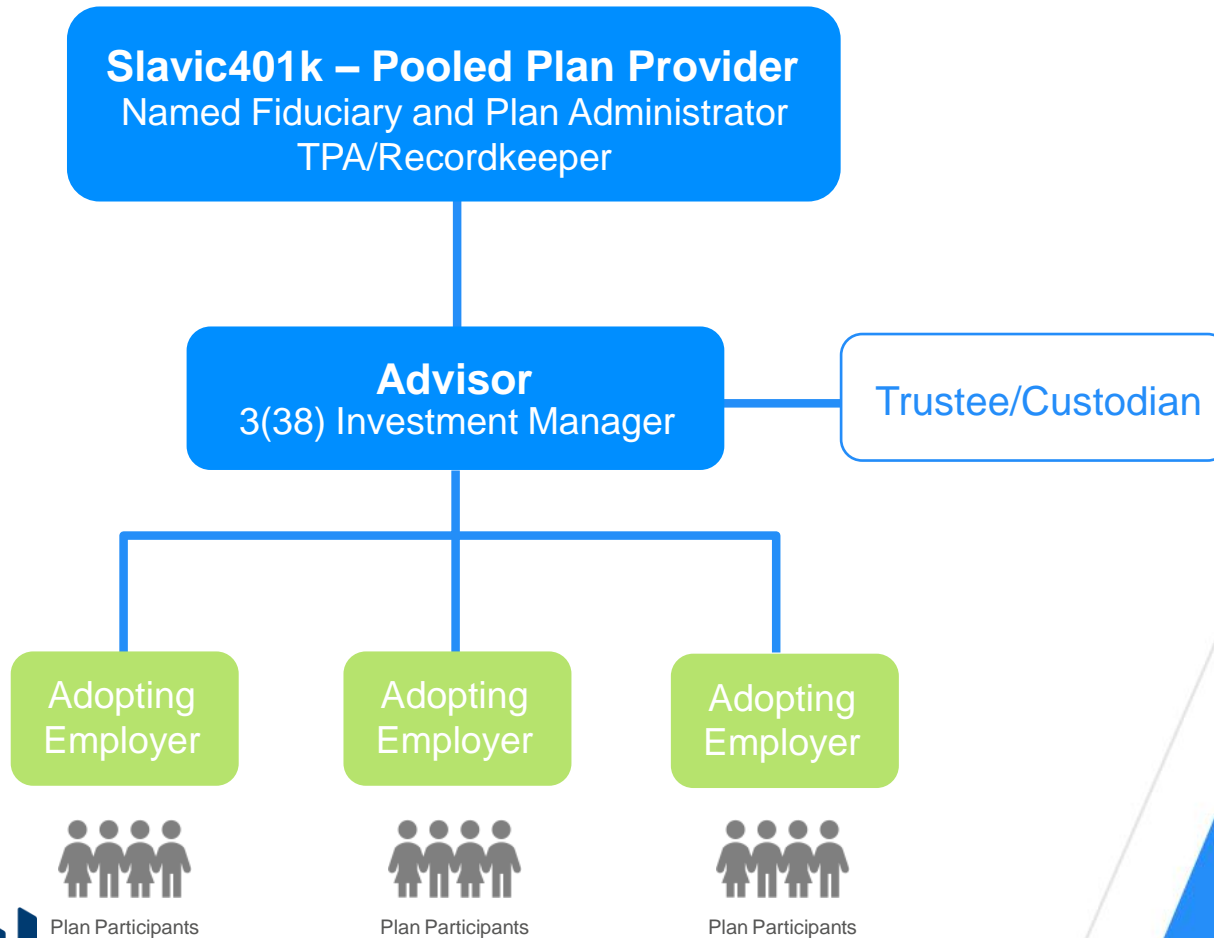
# Attract And Retain Top Talent At Every Level of The Organization

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A 401(k) provides an **easy, cost-effective** way to **plan for retirement** by making tax-deferred contributions to investment funds.

# PEP Structure

SECURE Act, Title 1 Sec. 1



- Registers as PPP with IRS and DOL
- PEP document provider (Slavic/IRS Plan Document and Participating Employer Adoption Agreements)

- Responsible for selecting and monitoring the PEP fiduciaries and fees



Plan Participants

Plan Participants

Plan Participants

# Why SMBs Should Offer a 401(k) Plan?

- Attract and retain top talent
- Flexible 401(k) plans options that work with business goals and company culture
- Business deductions and tax credits
- Employer contributions and profit sharing
- State mandates!



# Key Advantages of PEP 401(k)

- Scalable for small and micro plans
- One consolidated form 5500 and audit
- Reduced fiduciary risk
- Cost savings
- Ease of administration
- Small plan access to advisor management
- Outsourced trustee responsibilities
- Individual plan design consultations
- Automated enrollment and retirement plan education



## **The PEP is flexible**

allowing the employer to create a plan that satisfies their needs and objectives.

# Customized Features

- **Eligibility Requirements**
- **Safe Harbor Options**
- **Discretionary Matching Contributions**
- **Discretionary Profit-Sharing Contributions**
- **Vesting Schedules**

**These services by the Advisor  
removes the clients from these  
types of Fiduciary Liabilities.**



# Pricing Model





# Sample Fund Lineup

Fund Name	Ticker	Net Expense Ratio
Fidelity 500 Index*	<b>FXAIX</b>	<b>0.015%</b>
Fidelity US Bond Index*	<b>FXNAX</b>	<b>0.03%</b>
Fidelity Short-Term Bond Index	<b>FNSOX</b>	<b>0.03%</b>
Fidelity Mid Cap Index*	<b>FSMDX</b>	<b>0.03%</b>
Fidelity Small Cap Index*	<b>FSSNX</b>	<b>0.03%</b>
Shares MSCI EAFE International Index*	<b>BTMKX</b>	<b>0.03%</b>
Vanguard Short Term Inflation Protected Securities*	<b>VTAPX</b>	<b>0.06%</b>
Vanguard Federal Money Market	<b>VMFXX</b>	<b>0.11%</b>
Vanguard Information Tech Index	<b>VITAX</b>	<b>0.10%</b>

\*Bespoke allocation funds



# Adopter Breakpoint Pricing Schedule

Plan Size	# Participants	Slavic	Advisor <sup>1</sup>	Total	Mutual Fund Avg. Expense Ratio + Admin Fee	Total PEP Fee	National Average Single Plan <sup>2</sup>
\$0 - \$250,000	7	0.65%	0.25%	<b>0.90%</b>	0.18%	<b>1.08%</b>	3.95%
\$250,001 - \$500,000	14	0.60%	0.20%	<b>0.80%</b>	0.18%	<b>0.98%</b>	1.84%
\$500,001 - \$1,000,000	28	0.45%	0.18%	<b>0.63%</b>	0.18%	<b>0.80%</b>	1.51%
\$1,000,001 - \$2,000,000	56	0.35%	0.15%	<b>0.50%</b>	0.18%	<b>0.68%</b>	1.37%
\$2,000,001 - \$5,000,000	139	0.25%	0.12%	<b>0.37%</b>	0.18%	<b>0.55%</b>	1.23%
\$5,000,001 - \$10,000,000	278	0.20%	0.10%	<b>0.30%</b>	0.18%	<b>0.48%</b>	1.09%

Est. Ave Fund Exp. Ratio 0.08%  
 Admin \$35  
 Est. Part Balance \$36,000

<sup>1</sup>Advisor fee to be determined by Advisor

<sup>2</sup>National Averages Book closest size plan



# Acquiring Customers

Leading with the 401(k)



# PlanHub as a Sales Tool

- Presents a customized proposal to clients and prospects.
- Allows for searches by geography, company classification and size.
- Essentially, an inexhaustible lead source for advisor organic growth.

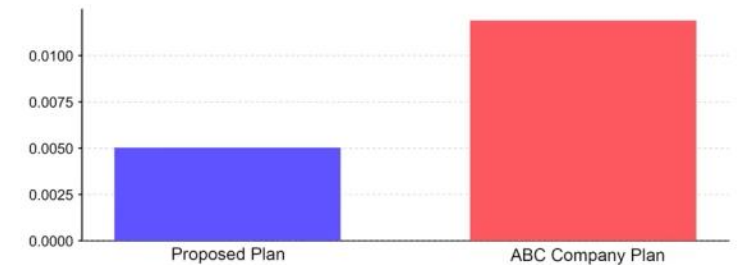
## 401(k) Cost Comparison

August 16, 2021  
ABC Company

\*Eligible Participants: 107

\*Est. Assets: \$ 6,690,278.00

\*Participants with a Balance: 91



	Proposed 401(k)	Current 401(k)
Company Admin Fee	\$0	From national average
Participant Admin Fee (\$39 x 91 participants)	\$3,549	From national average
Plan Asset Mgmt. and Servicing Fee (0.20%)	\$13,381	From national average
Weighted Investment Expenses (0.25%)	\$16,726	From national average
Est. Audit Costs	\$0	\$8,000
3(16) Administrator of the Plan	Outsourced	ABC Company
5500 Tax Filing Responsibility	Outsourced	ABC Company
Trustee/Fiduciary Liability	Outsourced	ABC Company
Est. Total Annual Plan Costs	\$33,655	\$79,586
Est. Total Annual Plan Costs Plus Audit %	0.50%	* 1.19%

**Estimated Cost Savings \$45,930.724**

\*Source: 401k Averages Book 21st Edition. All rights reserved. The information contained herein: 1) is proprietary to 401k Averages Book; 2) may not be copied or distributed. 401k Averages Book is not responsible for any damages or losses arising from the use of this information. The estimated total plan cost is the closest national average cost for the plan's size. An estimated audit cost for plans with over 100 eligible employees has been added to the national average. Your actual plan costs may be submitted to your plan representative for a more accurate cost comparison.



# Plan Setup

Steps	Startup Plan	Takeover Plan	Timing
Employer Survey	X	X	3-4 WEEKS
Coordinate Plan Design	X	X	
Execute Plan Documents	X	X	
Distribute Enrollment Materials	X	X	
Notify Prior Provider(s)		X	8-12 WEEKS
Plan Review & Due Diligence (plan documents, tax filing, testing, reports, etc.)		X	
Execute New Slavic Agreements		X	
Participant Blackout Notices		X	
Final 5500 (for single employer plans)		X	By IRS Due Date



# Summary

- Easy to adopt
- Cost-efficient
- Outsources fiduciary responsibility
- Enhances advisor value proposition
- Increase client retention

