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THE OFFICIAL MAGAZINE OF THE NATIONAL ASSOCIATION OF PLAN ADVISORS

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Investment Management and Retirement Plans

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Invest in Your Future

It's time to put your money where your mouth is.

Why haven't you registered for the NAPA 401(k) Summit? Seriously. Why haven't you?

I know it's still a ways off (though April will be here before you know it). Maybe you're waiting till after the holidays (it won't be any cheaper). Maybe you don't care about being at the convenient host hotel? Surely you aren't waiting for a better offer to come along.

Look, I know that the number of quality advisor events has certainly declined over the years, but that you still have several to choose between. For some, that choice is based on location, for others timing, and for still others cost. For some, of course, it can be all or more than one of the above — all are valid considerations.

So why should you commit to the NAPA 401(k) Summit?

First off, by now you know that this is the only retirement plan advisor conference developed by plan advisors for plan advisors. The proof of that is, quite literally, in the program that has been developed — for you. This year, as in years past, the steering committee has been hard at work for months, developing the program, fleshing out the agenda, lining up speakers, and assigning session "owners" to make sure that you get maximum bang for your buck in terms of information and session quality.

Are you worried about helping your clients through a DOL audit? We've got you covered. Not sure how to best set a reasonable fee for your services? No problem. Want to incorporate HSAs into your focus? Check. Thinking about selling — or merging — your practice? Expanding your team? Benchmarking? We've got your back. Worried about litigation? Cybersecurity? Check, check. No "pay to play" — just the most timely topics, the best speakers, the most dynamic sessions. And nobody, and I mean nobody, brings the Hill to the Summit like NAPA!

Secondly, if you're focused on networking, Summit "After Dark" has literally transformed the concept into a true advisor "experience." If you've been there, you know what I mean. If you haven't, trust me, you don't know what you're missing.

What's (Really) Different

Beyond all those important reasons, there are two other major considerations for you in attending this year's NAPA 401(k) Summit. There is the critical issue of legislative and regulatory reform. The mid-terms have shifted the balance of power — but believe it or not, the prospects for retirement plan legislation might have just brightened. What remains to be seen is whether the outcome will be positive. And that doesn't take into account what might emerge on the regulatory side from the Labor Department, the SEC, or both. Regardless — you will want — and need — to know what is afoot, and there is no better place for you to do that than the NAPA 401(k) Summit.

But among all the things that really set the NAPA 401(k) Summit apart — one thing stands out, this year more than most. Quite simply, it is that — and unlike every other advisor conference out there — your NAPA 401(k) Summit registration helps support the activities of NAPA — your advocacy, information and education organization — not the bottom line of some corporate media organization or some private equity firm.

That's right — in addition to the insights, information, networking that you may get at some other events, your attendance at the NAPA 401(k) Summit is, and remains, a unique investment in your future — and the future of your profession.

> "Your attendance at the NAPA 401(k) Summit is, and remains, a unique investment in your future — and the future of your profession."

It is, quite simply, a great way — perhaps the best way — to put your money where your mouth is.

So, go ahead — register for the NAPA 401(k) Summit. Today. While you're thinking about it. Now. You'll be glad you did.

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See you in Vegas!

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Thank You to Our Education Partners

BY JEFFERY ACHESON

Ripples in the Pond

Today's selfless volunteers within the ARA family are ripples in the pond of those who volunteered before us.

I am writing this quarter's column fresh on the heels of the American Retirement Association's semi-annual Board of Directors meeting. The passion which this group of volunteer leaders has for the ARA's stated mission of "Working for America's Retirement" is palpable.

None of us is as smart as all of us, and this meeting always reinforces one of the ARA's long-held tenets: that as sister organizations, we are stronger together than we are separately. It is personally fortifying for me to witness during these meetings tangible evidence of how we can bring value to those we endeavor to serve, not only by what we know individually, but also by what we contribute collectively — rooted in our respective areas of expertise, experience and perspective — as we collaborate on the development of strategies and solutions. Frankly, I leave each meeting inspired, enlightened and humbled.

Part of the agenda for each of these two-day meetings focuses on matters relative to the management and direction of the organization from an ARA perspective, with time also allotted for an update from each of the sister organizations about their respective perspectives and issues at hand.

The rest of the meeting is dedicated to discussing the state of the industry and our preferred positioning as an organization within the current and future environment that will surely expand to focus on retirement security for all Americans, with a dual mandate of expanded coverage and enhanced retirement readiness. This focus by the powers that be is already evident in the policy priorities being espoused within the current political discourse, legislative proposals and recent regulatory efforts.

Let me assure you that a top priority of the ARA Board and the leadership of each association and its committees of volunteers is how best to work in the best interests of our respective members and firm partners. However, of even greater importance is how best to utilize our collective expertise, experience, synergies and scale to position ourselves as a respected thought leader on retirement security and deserving of being considered part of the solution-crafting process. If we ignore the latter, we will be perceived as just another self-interest group lobbying to protect our small piece of the pie at the expense of the greater good. That perception will surely be counter-productive for us as an organization and for the industry in the long run. That possible outcome is not lost on the leadership of the ARA.

I am prone to analogies and metaphors, so please indulge me and let me close with a metaphor. Let's imagine we are on a walk in our favorite park and we come upon a still pond or small lake. When we were young, what was more fun than finding a small, flat rock and propelling it across that still water to see how many skips we could get? Then, after we tired of that exercise, we looked for the biggest rock we could handle to throw high and far toward the middle of the pond to see how many ripples the impact can create and how far the ripples go out even after the rock has long disappeared from sight.

Today's selfless volunteers within the ARA family are ripples in the pond of those who volunteered before us, each of whom were like a rock of commitment and effort cast into the water. And like them, we have a responsibility to plunge like rocks into the pond that is the pursuit of retirement security for all Americans — and to create new ripples speeding outward.

Success is defined by many as fame or fortune, lifestyle or possessions. But all that is fleeting and, like the skips of a stone across the water, entertaining but soon forgotten. I would suggest that success is better measured by whether one's body of work over a lifetime made the world a better place — measured by both deeds and the impact of the ripples in the pond they triggered.

> "To those on the shoreline, consider throwing your rock of commitment into the pond with us."

To those who volunteer their time and donate to support the efforts of the ARA and its sister organizations, thank you! To those on the shoreline, consider throwing your rock into the pond with us. We need all the help we can get in working for America's retirement — making a difference that ripples on long after we have disappeared from sight.

» Jeffery Acheson, CPFA, is NAPA's 2018-2019 President. He is the founder of Advanced Strategies Group, LLC.

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NAPA ASPPA NTSA

BY BRIAN H. GRAFF

'Over' Groan?

The prospects for positive retirement plan legislation might have just brightened.

The mid-terms are over and the Democrats took back control of the House for the first time since 2010, while the GOP slightly expanded its hold on the Senate majority. Believe it or not, while the talk outside the Beltway has largely focused on the prospects for even more gridlock, the prospects for positive retirement plan legislation might have just brightened.

Rep. Richie Neal (D-MA), now the ranking Democrat on the House Ways & Means Committee, and the man in line to become chairman of that powerful committee in January, has already cited several priorities on which he even thinks he might align with President Trump, and two of them — increasing retirement savings and protecting multiemployer pension plans — deal with retirement. Neal has long been focused on retirement issues and has, in just the past year, introduced his signature piece of retirement legislation, the Automatic Retirement Plan Act (ARPA), to address the retirement plan coverage gap.

ARPA would require all but the smallest employers to maintain at minimum a deferral-only 401(k) or 403(b) plan with a requirement to automatically enroll workers into the plan. But that is not all. ARPA also expands the types of employees that have to be eligible to participate, to include all workers expected to work for an employer for more than three months, regardless of the number of hours worked. An employer would no longer be allowed to exclude up to 30% of its workforce from participating in a plan, and the current one-year/1,000-hour service requirement would be repealed. Employers with existing plans would have five years (seven years for smaller employers) to transition to these new coverage rules.

We have been in active discussions with Congressman Neal and his staff for months on sensible modifications to this legislation for the next Congress, including exempting the new coverage requirements from the top-heavy testing rules and significantly modifying the tax penalties for non-compliance. Congressman Neal and his staff have shown a sincere willingness to work with us to address our concerns while still achieving their core policy objective of reducing the coverage gap.

> "Congress could address bipartisan improvements to the retirement system along the lines of RESA."

At the same time, proving that the spirit of bipartisanship is not dead, Senators Rob Portman (R-OH) and Ben Cardin (D-MD) are once again teaming up on retirement security legislation. Most of us in the retirement industry came to refer to the Economic Growth Tax Relief and Recovery Act (EGTRRA) as "Portman-Cardin" for good reason, as they led the charge to passage in the U.S. House of Representatives that included a host of vital improvements for retirement savings. This time the dynamic pension duo is looking to take up retirement security in the U.S. Senate, and is considering provisions to encourage small plan startups, while encouraging automatic enrollment and re-enrollment practices, expand employer matching contributions for student loan repayments, and provide portability of lifetime income options, expansion of the Saver's Credit, and reforming the required minimum distribution requirements, among other things.

The recent decision by Sen. Grassley to return as Chairman of the powerful Senate Finance Committee following Sen. Hatch's retirement also bodes well. Grassley has previously been a sponsor of comprehensive retirement legislation, including the Graham-Grassley legislation that formed the basis (along with the Portman-Cardin bill in the House) for the 2001 EGTRRA retirement reforms. He was also Chairman of the Finance Committee when Congress enacted the Pension Protection Act in 2006.

Beyond that, the Senate Finance Committee that he will now chair in 2016 unanimously passed the Retirement Enhancement and Savings Act (RESA), which would allow for "open" multiple employer plans (MEPs), facilitate in-plan lifetime income options and disclosures,

and other key changes. The House version of that bill had 85 cosponsors in the House, and while it has been bogged down by procedural and policy disagreements, as we go to press, there remains hope that it could see action in the "lame duck" session — though it could easily be derailed by the political crisis of the day — border security, Russia investigations, a government shutdown… but if not, almost certainly in the new Congress.

Speaking of the lame duck session, just after Thanksgiving, House Republicans released a wide-ranging tax package — including a number of retirement savings provisions, setting the stage for negotiations on a year-end tax package. We're talking, and forgive me if I am starting to sound repetitive, "open" MEPs, enhancements for small businesses to start a retirement plan, changes to required minimum distributions, an annuity purchase safe harbor for employers, provisions to enhance lifetime income portability, and an increase in the current cap on contributions under the automatic enrollment safe harbor (QACA) contributions, from 10% to 15%. The prospects for this particular bill to become law in its entirety are remote — but it is a positive sign that Congress could address bipartisan improvements to the retirement system along the lines of RESA — perhaps by the time you read this (or not).

And then there's the initiatives underway by the Administration: President Trump's executive orders on Association Retirement Plans, RMDs and e-delivery — the need for clarity on the fiduciary implications when advisors service retirement plans and advise participants on rollovers (a remnant concern of ours due to the DOL's vacated fiduciary investment advice rule), and the emerging interest of individual states in crafting their own fiduciary standards.

As we head into what looks to be another critical season for retirement plan issues — and look ahead to 2019, don't forget — your NAPA 401(k) Summit registration helps support our advocacy efforts here at NAPA, not some private equity firm's bottom line. Your support for, and attendance at, the NAPA 401(k) Summit is an investment in your future, the future of your profession, and ultimately, the future of the nation's private retirement system.

Now more than ever. Sign up today at http://napasummit.org.

» Brian H. Graff, Esq., APM, is the Executive Director of NAPA and the CEO of the American Retirement Association.

Trends 'Setting'

Among trends new and (some) not-so-new, it turns out that (even younger) investors prefer robos with a human touch, savings for retirement health expenses remains a big challenge, HSAs have some issues with pricing and transparency, financial wellness could have a big payoff, and aggregators are the 800 lb. gorilla for DCIO attention and developments.

AGGREGATE DEMANDS

Aggregators aggregating DCIO assets, attention

New research documents that so-called "aggregators," growing in both scale and importance, have become a primary focus of many DCIO sales and marketing units.

These aggregators, so called because they share a common strategy of growth via acquisition or affiliation, are now beginning to raise demands on DCIOs for custom investment vehicles to lower DC plan costs and increase their competitive advantage, according to the latest in-depth research report from retirement and defined contribution investment-only (DCIO) distribution consultancy Sway Research. According to the report, not only are defined contribution assets consolidating with aggregator firms, but leading recordkeeping platforms are also expanding market share and beginning to demand more of DCIO managers for access to their staff and placement within their 3(38) models and select lists.

'Access' Able?

More than half of DCIO executives surveyed for the report indicate that 20% or more of DCIO sales at their firms are now coming from aggregators, and that it's getting more difficult to access investment personnel at these key partners, because — according to the researchers — every DCIO is knocking on their doors seeking access. Sensing opportunity, several aggregators have asked DCIOs for custom collective trust-based portfolios with lower fees for sale through their platforms, and DCIOs are responding in the affirmative.

Approximately three out of five DCIOs surveyed have already created such products or expect to by the end of 2018. For their part, four of six aggregators surveyed indicated that "collective pricing," which this tactic has been dubbed, is very or extremely important to the future of their firms.

There are 15 firms in the aggregator universe, and they managed roughly $640 billion of DC assets at the end of 2017. This equates to about 8% of the overall DC market, but these firms tend to focus efforts in the small (<$10M) and mid-size plan ($10M to $50M) segments, though the report notes that they are gradually moving up market to large ($50M to $250M) and even mega plans (>$250M). The $640 billion of AUM is equivalent to 32% market share of small and mid-size DC plans, and with each new acquisition or affiliation deal, aggregators' market share and influence on plan menus grow. Sway believes aggregators will control $1 trillion or more in DC assets in the next five years.

Looking ahead, Sway Research expects DCIOs to focus even more efforts on the aggregators, which can deliver assets in return, but will also likely increase their demands, and thus the costs of servicing them. As alluded to earlier, leading recordkeepers are also gaining market share and asking for more from DCIOs.

DCIO Trends

Sway further estimates that DCIO assets will total $4.1 trillion at the end of 2018, up from $3.8 trillion a year prior. At year-end, DCIO

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assets will make up approximately 50% of assets in the DC market versus 40% share for proprietary assets (i.e., those managed by an affiliate of the plan administrator), with the remaining 10% invested in company stock and via brokerage and mutual fund windows.

However, positive net sales remain elusive for many asset managers that possess an established DCIO presence. According to the report, the managers with positive DCIO net sales today tend to have DCIO asset bases exceeding $100 billion, thanks to a strong brand in passive management and/or target-date, or DCIO asset bases under $10 billion, as these firms lack DCIO assets in categories that are increasingly shifting from active to passive management.

The research also finds many asset managers fighting to maintain positive net inflows of DCIO assets in 2018. The retail DCIO market (i.e., small and mid-size plans sold via advisors and mid-tier consultants) is in a period of transition as the traditional wholesale model remains vital to sales, though new groups are growing in influence, including third-party fiduciaries, distributor 3(38) modelers and investment scorecard providers – and they also need service and support.

Passive 'Tense'?

The report notes that while established managers are still generating compelling gross DCIO sales, the steady shift of assets from active to passive management in core U.S. equity categories, such as large cap blend, and the explosive rise of target-date solutions, which are driven by a combination of auto-enrollment, auto-escalation and plan re-enrollments, often lead to more DCIO assets flowing out than coming in. Indeed, according to the report, more than half of the managers surveyed for this research report experienced net redemptions from their DCIO units in 2017 and the first half of 2018. More than two-thirds of the firms in net redemptions were mid-size DCIOs, with DCIO assets between $10 billion and $100 billion.

The situation was reversed for those managers at the upper and lower ends of the DCIO asset spectrum, as only about a third of these firms experienced net outflows.

Additional information is available in Sway Research's "The State of DCIO Distribution: 2019—Key Benchmarks, Developing Trends, Winners and Outlook," which is based on surveys and interviews of DCIO sales leaders, DC plan intermediaries, and executives of aggregator firms. This year's report is based on interviews with DCIO executives, aggregator leadership and plan intermediaries, as well as surveys of DCIO sales leaders from 28 leading asset management firms with nearly $1.4 trillion of DCIO AUM, executives from six aggregators with $200 billion of DC AUM, and 198 advisory practices with more than $160 billion of DC AUM. Surveys and interviews were conducted in the spring and summer of 2018.

— Nevin E. Adams, JD

BARRIERS 'RIFF'

For HSAs, high fees, transparency remain hurdles

HSAs continue to increase in popularity thanks to their triple tax advantages and increased adoption in health plans, but there is room for improvement, according to a new study.

Morningstar's second annual study assessing HSAs from 10 of the largest providers finds that most have improved the quality of their investments and investment menu designs since last year, but none earned positive marks across the board for use as a spending or investing vehicle.

The HSAs evaluated were those available to individuals, as opposed to those offered through employers, where fees can vary based on a number of factors. The firm assigned positive, neutral and negative scores to various criteria, and aggregated those scores to reach an overall assessment for each HSA.

According to the study, fees vary significantly and most require individuals to keep money in a checking account before they can invest. Moreover, transparency apparently remains weak, as few providers' websites fully disclose all relevant information needed to select a plan, according to the study.

"We're encouraged by the improvement in the quality of HSA investment options since last year, but the industry can raise its game by providing greater transparency on fees, investment options, and interest rates and further reducing high plan expenses," notes Leo Acheson, associate director of the multi-asset and alternative strategies team at Morningstar.

Investing Versus Spending

Morningstar evaluated the HSAs on their use as an investment vehicle for future health expenses and as a spending vehicle to cover current costs. This year, The HSA Authority came out on top as the best provider both as an investment and a spending vehicle. Bank of America and Further also received positive assessments of their HSAs for use as investment vehicles.

Morningstar found that the quality of investments across the 10 largest products remains strong and has improved since last year, with at least half of each HSA's investment options earning Morningstar Analyst Ratings of Gold, Silver or Bronze. What's more, investment menu designs have gotten better, according to the report, with several providers taking steps to reduce menu overlap or add core investment options.

Nevertheless, a number of providers haven't made the same improvements to their HSAs' investment choices, and many products charge high fees, the report notes. Across the 10 HSAs evaluated, the average cost for passive funds ranges from roughly 0.30% to 0.75% per year, while the average cost for active funds ranges from about 0.80% to 1.20%. Additionally, 8 of the 10 products require investors to keep $1,000 or $2,000 in a checking account before they can invest, which can create an opportunity cost.

And only 4 of the 10 providers evaluated disclose relevant fees, interest rates and investment lineups on their websites. Call centers also apparently often struggle to provide this basic information, the report notes.

The report addresses HSA best practices as investment vehicles, suggesting that HSA providers:

- charge low fees for both active and passive exposure;
- offer strong investment strategies in all core asset classes while limiting overlap among options; and
- allow first dollar investing (by not requiring money to remain in the checking account before investing).

— Ted Godbout

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A 'CURE' FROM WELLNESS?

Financial wellness' ROI could save large employers millions

Comprehensive financial wellness programs that repeatedly engage employees can effectively mitigate current and future costs associated with delayed retirement, according to new research that quantifies the savings from improvements in employee retirement preparedness.

According to Financial Finesse's "Special Report: The ROI of Improving Employee Retirement Preparedness," even modest improvements in employee financial wellness generate meaningful cost savings.

Financial Finesse is, of course, in the business of providing financial wellness services, however, based on the firm's updated ROI predictive model, the findings show that an improvement of the average workforce financial wellness score from 4.0 to 5.0 leads to a 17.85% increase in retirement plan contribution rates, reducing the average projected retirement age by one year. For a large employer with 50,000 employees, this upward shift in the wellness score can generate $33 million to $49 million in annual cost savings from reducing delayed retirements.

The firm's financial wellness score is measured on a scale of 0 to 10, with 0 indicating minimal financial wellness and 10 indicating optimal financial wellness. The firm notes that scores are adjusted to consider age, income and the needs associated with different life stages.

Repeat Performance

Repeated engagement with financial wellness programs can improve average workforce financial health from a 4.0 to a 6.0, increasing employee retirement plan contribution rates by a factor of 38% from original rates, the firm notes.

This can translate to the projected average workforce age at which an employee could retire and replace 80% of their income dropping by two years — from nearly 69 years of age to 67 years. The study suggests that when applied across a total workforce of 50,000 employees, that reduction in average retirement age could result in the employer saving over $65 million.

When looking at even larger employers, the estimated savings appear to be even more impressive. According to the report, employers with 100,000 employees can save more than $65 million when overall financial wellness scores increase from 4.0 to 5.0, and more than $129 million when scores increase from 4.0 to 6.0.

The report further explains that reductions in retirement age occur across all career stages, with employees under 35 seeing the largest reduction at 2.67 years, while older employees see a reduction of one year. Accordingly, the firm emphasizes that comprehensive financial wellness programs that repeatedly engage employees are found to be most effective in mitigating current costs of delayed retirement, as well as future costs.

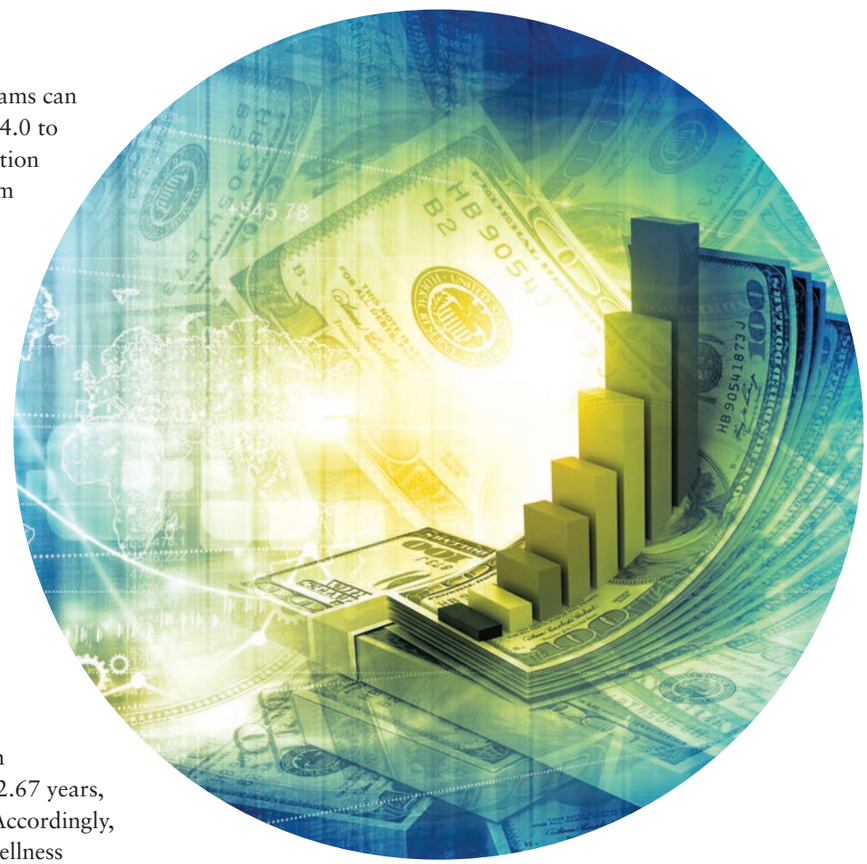
Financial Finesse's CEO Liz Davidson notes that improvements in employee financial wellness are incremental and increase with the number of interactions, so companies should focus on creating multiple channels to reach employees and engagement techniques which encourage them to keep coming back.

Increased Deferral Rates

Financial Finesse's analysis further finds that every one-point increase in overall financial wellness scores equated to approximately a one-point increase in average deferral rates. This improvement contributed to higher levels of retirement confidence among repeat users. In fact, the report notes that in 2017 repeat users were more than twice as likely as first-time users (43% versus 19%) to report being on track to achieve their retirement income goals

The report is based primarily on an analysis of 18,148 employees who participated in the firm's employer-sponsored financial wellness benefit from 2011 to 2016.

— Ted Godbout



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MEDI 'CARES'?

Projected retirement health expenses continue to climb

A new study by the Employee Benefit Research Institute warns that Americans should be concerned about saving for health insurance premiums and out-of-pocket expenses in retirement.

Since 2011, the amount of savings Medicare beneficiaries are projected to need to cover program premiums, deductibles and certain other health expenses in retirement have risen by as much as 9%, according to EBRI's issue brief. While at the extreme end of the projections, this amount could reach nearly $400,000 for some couples.

In the report, "Savings Medicare Beneficiaries Need for Health Expenses: Some Couples Could Need as Much as $400,000, Up From $370,000 in 2017," EBRI examines the savings needed to pay for premiums for Medicare Parts B and D, premiums for Medigap Plan F and out-of-pocket spending for outpatient prescription drugs.

Medicare generally covers only about two-thirds of the cost of health care services for Medicare beneficiaries ages 65 and older, while out-of-pocket spending accounts for 12% and private insurance covers 15%, the brief explains. Contributing to the rising expenses is the declining percentage of private-sector establishments offering retiree health benefits, the rising price of prescription drugs and additional changes to Medicare coming.

The report predicts that issues surrounding retirement income security will pose an even greater challenge, as policymakers begin to address financial issues in the Medicare program with solutions that may shift more responsibility for health care costs to Medicare beneficiaries.

Simulations

The analysis uses a Monte Carlo simulation model for this evaluation that treats health insurance and out-of-pocket health care expenses in retirement as known values, but allows for the uncertainty related to individual mortality and rates of return on assets in retirement by simulating 100,000 observations.

For example, the report estimates that in 2018 a 65-year-old man will need $75,000 in savings and a 65-year-old woman will need $99,000, for a 50% chance of having enough to cover premiums and median prescription drug expenses in retirement. For a 90% chance of having enough savings, the man needs $148,000 and the woman needs $161,000, according to the study.

Perhaps stating the obvious, the differences in estimates between men and women relate to women having longer life expectancies than men, hence the need for larger savings levels to cover premiums and expenses.

For a 50% chance of having enough to cover health care expenses in retirement, a couple with median prescription drug expenses needs $174,000 in savings. For a 90% chance of having enough, the couple needs $296,000 in savings, EBRI's data shows.

Interestingly, EBRI's analysis shows that savings targets declined between 2011 and 2014, before increasing from 2014 to 2018, with increases ranging from 2% to as large as 13% in some cases since 2017.

At the extreme, it notes that for a couple both with drug expenses at the 90th percentile throughout retirement who wanted a 90% chance of having enough money saved for health care expenses in retirement by age 65, the targeted savings increased from $368,000 in 2017 to $399,000 in 2018 — an 8% increase.

"It's important to note that many Americans will likely need more savings than cited in this report," explains Paul Fronstin, Ph.D., Director of the Health Research and Education Program at EBRI and co-author of the study.

Fronstin further cautions that the analysis does not factor in the total savings needed to cover long-term care expenses and other health expenses not covered by Medicare, nor does it take into account the fact that many individuals retire before becoming eligible for Medicare.

— Ted Godbout

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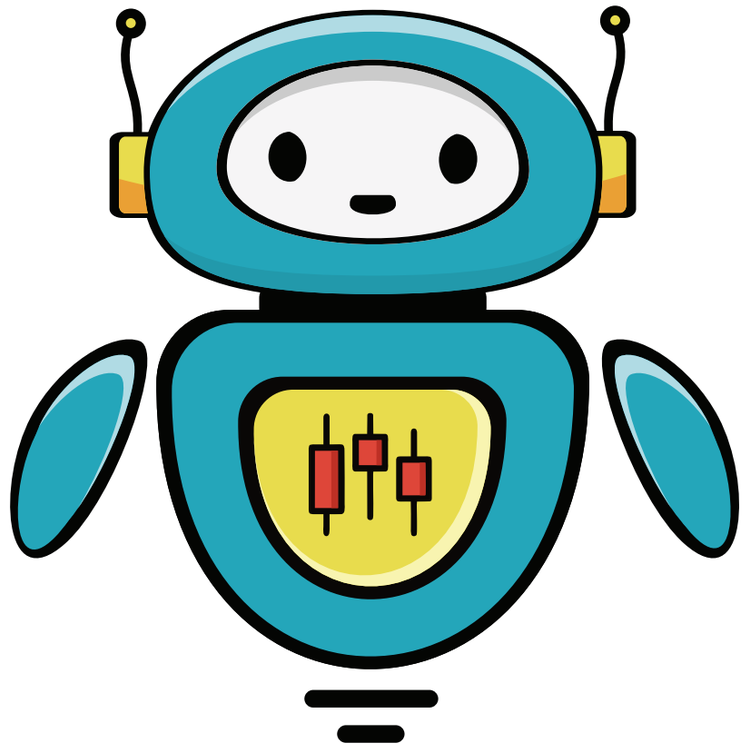

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HUMAN 'BEINGS'

Survey finds Americans like robos – with a human touch

A new survey finds growing interest in using robo advisors – but even more support when linked to human advice.

While more than half (58%) of those surveyed say they will use some form of robo advice by the year 2025 – and though the majority of robo advice users surveyed are Millennials, nearly a quarter are Gen-Xers, according to the report published by Charles Schwab. Even among Millennials, 79% say they want a robo advisor that also provides access to advice by a person.

The report found that nearly three-quarters (71%) of people want a robo advisor that also has access to advice from a human, and nearly half (45%) not using a robo advisor at present say they would be more likely to use one if it has quick and easy access to human support.

Baby Boomers pretty much mirror those trendlines: 64% of them prefer a robo advisor that provides access to advice from a human, and 46% of Boomers who are not currently using a robo advisor say they would be more likely to use one if it offered quick and easy access to a person when needed.

It's not as though older Americans are opposed to technology. Beyond investing, 42% of Boomers are more comfortable relying on technology than people to answer questions and solve problems. Boomers also report that technology has helped them improve their financial lives: 51% say technology gives them more confidence when it comes to finances, and 44% say technology has helped them reach financial goals.

Among all Boomers:

- 62% agree that robo advice takes the emotion out of investing
- 49% say it helps them maintain a diversified portfolio
- 46% trust robo advisors to provide more transparent financial advice

The report notes that in addition to having access to a person, Boomers would be more likely to use a robo advisor if:

- they feel that their information in the service is secure;
- the fees are lower than those of a traditional financial advisor;
- the mobile app is easy to use; and
- the service has a low investment minimum.

That said, a significant portion of Americans (62%) have never heard of robo advice, according to the study. And even among those using a robo advisor, 30% don't know it.

The online study, "The Rise of Robo: Americans' Perspectives and Predictions on the use of Digital Advice," was conducted for Schwab by research firm Edelman Intelligence among 1,000 U.S. general population adults and 391 robo advisor users over the age of 18 between July 25, 2018 and July 31, 2018.

— NAPA Net staff

What Do Participants Want in Their Investments?

A recent choice modeling experiment reveals some interesting insights.

BY WARREN CORMIER

When it comes to investing for retirement, a frequently asked question is, "How do defined contribution plan participants make decisions regarding their investment elections?" Very often, participants do not possess the technical skills to assess the appropriateness of an investment for their DC portfolio. Therefore, it is important to understand what characteristics of an investment they value most and least.

In a recent study of more than 1,000 DC participants, AllianceBernstein and I conducted a choice modeling experiment to help us do just that. Of course, within any group of people, different segments may value the same characteristics differently. But overall, the choice modeling revealed some interesting insights, including confirmation, in particular of loss aversion, and overall of prospect theory, the concept that earned Daniel Kahneman and Amos Tversky a Nobel Prize.

The question participants were asked was:

"When thinking about investment options available for saving and for funding retirement, what features and benefits are important to you?"

Respondent were asked to indicate the importance of the nine characteristics in the nearby table. A form of choice modeling

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CHARACTERISTIC	IMPORTANCE WEIGHT*
A steady income stream in retirement	18.8
Protection of principal (I won't lose my original investment)	14.0
Downside protection of income stream (if the market goes down, my income stream payments are not affected)	11.4
Upside potential (my account balance can increase with the market)	10.9
Ability to withdraw all or part of my money with no fees or penalties at any time	10.2
Investing in a well-diversified mix of investments	8.1
Having investment professionals automatically adjust my funds to become more conservative over time	6.2
Ability to transfer money into/out of an investment option from/to other investment options at any time	5.7
Having my funds managed by investment managers whose names I recognize	4.8

**This is an index number that shows the relative importance of the characteristics and the distance between them.*

called "Max Diff" was used, rather than simply questioning people on their perception of importance and then ranking the factors by the percent who rated each one as important. The Max Diff technique tells us more, in that it indicates both the rank ordering and the distance between characteristics in terms of their importance.

The table of results shows the relative value participants place on each factor. The number is simply an index, and is not important in itself. The important things are the comparative magnitudes of the numbers and the distances between the numbers. The higher the number, the greater the perceived importance in making investment selections. Also, note that the numbers are additive, so we can combine characteristics into themes.

The findings show that the most valuable characteristic, by a large margin, is picking investments that provide a steady income stream in retirement. We have seen this phenomenon before in a different form, when participants report being highly attracted to the concept of a guaranteed paycheck in retirement. Additionally, the results show that participants overall are loss averse, as opposed to seeking maximum returns. That is, the second most important factor is investments that protect principal, followed by downside protection of the participants' income stream in retirement. Only after those three factors are achieved do participants turn to the characteristic of upside potential. Tied in importance with upside potential is the ability to avoid fees (another form of loss).

Interestingly, three technical features — a well-diversified mix of investments, investment professionals automatically adjusting participants' portfolio as their circumstances change, and ease in transferring money in and out of an investment — appear lower down in the order of characteristics. Stated differently, these characteristics related to the procedural dimensions of an investment are much less important to participants than the outcome of investing.

One of the most interesting outcomes of the experiment related to the importance of brand name. The data indicate that it has the lowest importance in investment selection, suggesting that the brand name is secondary to achieving the desired outcomes of investing. However, other studies have shown that brand name is very important in participants' assessment of the quality and likely outcome of an investment, and should not be underestimated in its influence.

The implication is that when marketing an investment to DC participants, it is more important to explain what an investment does, as opposed to how it does it. Knowing that one's portfolio is well diversified and that investment professionals are looking after the appropriateness of one's portfolio is not as important as having reliable and predictable income streams and protection from loss of one's hard-earned savings. Behaviorally, we know that DC participants crave safety, control and predictability when it comes to their financial viability throughout retirement. These findings confirm these behavioral tenets. Thanks to AllianceBernstein for sharing these insights.

» Warren Cormier is the Executive Director of the DCIIA Retirement Research Center and President and CEO of Boston Research Technologies. He is the author of the DCP suite of satisfaction and loyalty studies, and cofounded the Rand Behavioral Finance Forum with Dr. Shlomo Bernartzi.

5 Recipes for Marketing Success

Keep your target audience coming back and wanting more. Here's how.

BY REBECCA HOURIHAN

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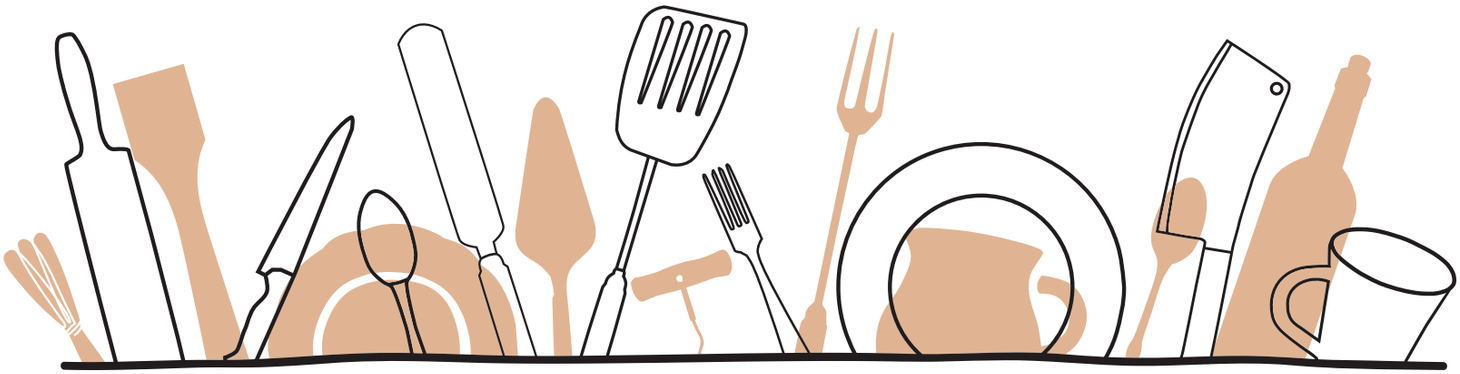


If you were to ask three different advisors what marketing is, you would get three different answers — and they would all be right! To most people, marketing can be a pretty vague term used to describe a number of things.

From appetizer to dessert, here is your five-course marketing menu to prep, cook, and plate your 401(k) advisory brand, so you can be the Iron Chef in your retirement plan community.

Appetizer: LinkedIn Profile

Did you know that 86% of people are going to Google you before they will agree to a meeting? That is why we begin with one of your first impressions, your digital appetizer — your LinkedIn profile. It's the first course because your profile has the ability to set the table for the rest of the meal.

Prep 5 min; Cook 1 hour

Instructions

1. Open your LinkedIn profile.
2. Look at your profile picture. If your photo is more than three years old, that ingredient has expired and it's time for a new one.
3. Add a banner image.
4. Click the pencil icon above your company name, then scroll down to the Summary and Media section. Update your summary and add media. (Compliance review might be required.)
5. Scroll down. Look under Experience. Confirm that your company has a logo. If you don't, simply click the pencil icon, search for your company, and link your profile.

Follow these instructions to immediately improve your social media profile and entice your dinner guests to want more.

2nd Course: Brochures

Everyone is gathered together and it's time to uncover your next course. It's an old recipe, but it's still a goodie.

Prep 30 min; Cook 1 hour

Preparation

1. Send an email to everyone at your firm and ask them to email you their marketing brochures.
2. You want to receive the kitchen sink.
3. Schedule a meeting for the entire team to review the brochures that you are gathering.

Ingredients

1. Print out all of the brochures.
2. Place them on your conference room table.
3. Look at them.

Cook

1. Read the brochures to confirm they are still relevant.
2. Update all referenced statistics if they are over three years old.
3. Review the design of the brochures. Are they consistent? If you've gone through a logo change, do any of the brochures still have the old logo? If they do, update them.
4. Reflect on the materials. Then as a team decide which pieces to keep and which to recycle.

Note: Remember, "you eat first with your eyes." How are your brochures presenting your professionalism, retirement plan knowledge, and years of experience?

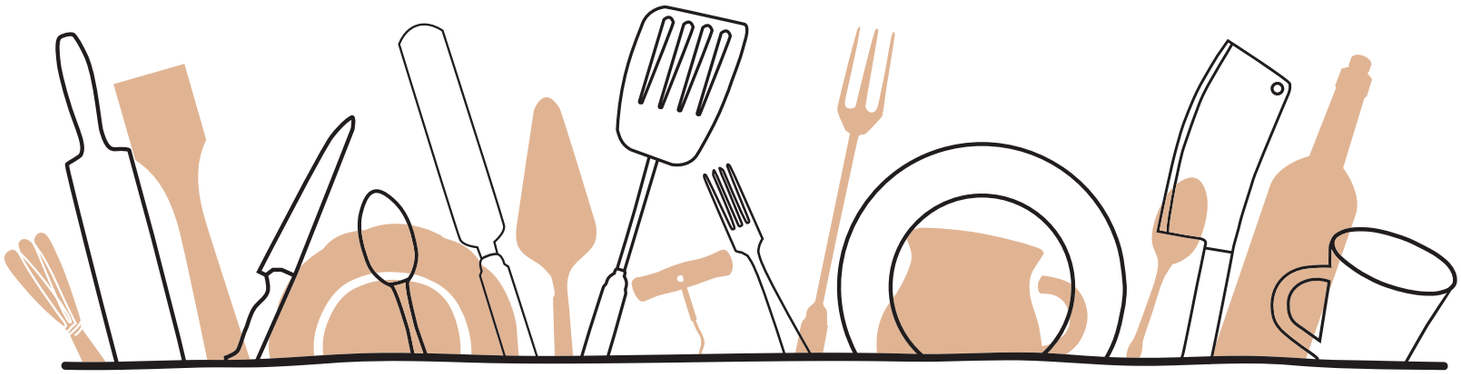
Main Course: Website

Next on the menu is your website. Most plan sponsor prospects and centers of influence are going to view your website. They want to know more about you, your experience, and how you can service their retirement plan. Let's make sure that your next dish lives up to your trusted professional reputation.

Prep 3 hours; cook ongoing

Preparation

1. Ask seven trusted professionals to review your website. Then ask them:
   - What do you think of our website?
   - What type of services do you think my firm provides?
   - Do you have any feedback and/or areas that you feel we could improve?
2. Gather their feedback.
3. Think about how you want to express your expertise and valuable services.



Ingredients

1. Contact your website provider.
2. Share what you want your website to look, sound, and feel like.
3. Explain to them what you would like your website to convey.

Cook

1. Update your website.
2. Modern websites usually have design elements including parallax scrolling, videos, gradient colors, and the newest trend: designing "off the grid."
3. Partner with your compliance team.
4. Press Publish.

Serve

1. Send an email to your contact list announcing your website refresh.
2. Post on social media with your new homepage preview image.
3. Congratulations on your enhanced website!

Side Dishes: Email Campaigns

A meal isn't complete without savory side dishes. By serving different types of information throughout your email campaigns, you are maximizing the dining experience. You are offering your guests different types of information, so they can truly plate their best experience.

For example, the prospect that is worried about compliance would consume more information with compliance deadline checklists, fiduciary process videos, and cybersecurity articles. Whereas, a CFO who is worried about cost management might consume articles about fee benchmarking, videos on stretching the match, and webinars discussing the TCJA and cash balance plans.

By having side dishes of retirement plan information, you encourage your clients, prospects, and centers of influence to consume the portions that align with their current flavor palette.

Prep 1 hour; cook ongoing

Preheat Oven

Before beginning an email campaign, it's important to preheat the oven. Contact your home office and ask them which bulk email providers are approved for use (such as a Constant Contact, MailChimp, Salesforce, InfusionSoft, etc.) and then subscribe.

Preparation

Search for an email template and then customize with your office's brand standards. That includes your office's logo, colors, fonts, imagery and disclosures.

Cook

- Once you have updated the template to look like your office, it's time to add valuable content marketing materials, such as an infographic, blog article, video, checklist, webinar invitation, and/or other content marketing.
- With your content marketing materials, set up an email automation campaign to continuously drip on your contact list.

Dessert: You

That's right — you are the icing on the cake! Your experiences, knowledge and personality are what make you unique. Be yourself. Whether you are walking into a prospect meeting, posting on social media, or at a networking conference, it is important you are reflecting your genuine self to build a personal brand. Are you the king of funny dad jokes? Don't be afraid to let one — or maybe two — come out when it's appropriate.

From appetizer to dessert, keep them coming back and wanting more. By sharing consistent content marketing with your target audience, the clearer it becomes that you are an authority in your field. You are the Iron Chef of the retirement plan profession.

Thanks for reading — and happy marketing!

» Rebecca Hourihan, AIF, PPC, is the founder and CMO of 401(k) Marketing, which she founded to assist qualified experts operate a professional business with professional marketing materials and ongoing awareness campaigns.

nuveen
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THE (MORE) EFFICIENT FRONTIER

What could an additional 50 client meetings per year mean for your practice?

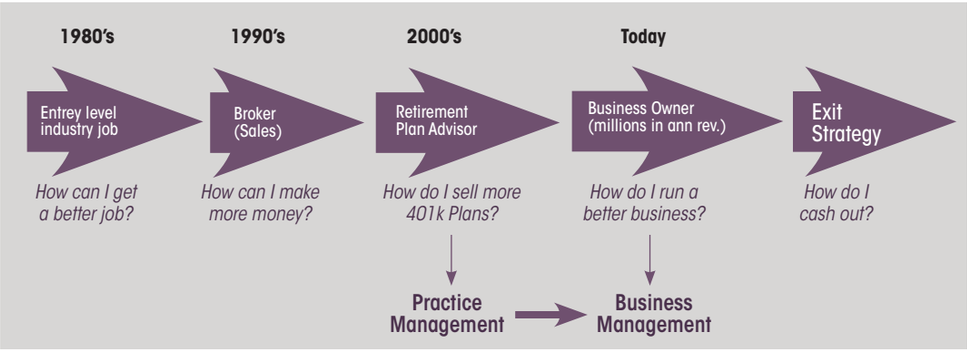
But who has the time? Well, as it turns out, you do — or might.

In a market that is hyper-competitive — and consolidating — your practice — your business – needs to maintain its edge — you.

How can you devote more of you when there are only so many hours in the day?

"Advisors today are finding themselves running small companies in a hyper competitive and consolidating market," explains Brendan McCarthy, National Sales Director, DCIO at Nuveen. "They need help with their business needs — marketing/PR, business strategy, even helping establish and maintain a strong profit-loss statement".

That's a marked shift from the practice management focus — areas such as target-date evaluation tools, sample investment policy statements, and the like — that has traditionally dominated DCIO support. McCarthy describes this "evolution" of the focus of successful retirement plan advisors as:



"We are seeing a shift from practice management needs to business management needs. If you think of it, a lot of these advisors are now CEO's of small companies, and Nuveen wants to help them be successful in that role so that they can continue to grow and prosper in today's competitive retirement plan market," McCarthy continues. To that end, Nuveen has put together programs and tools to help advisors with their own set of C-Suite services — the most recent a plan profitability calculator designed to help advisors assess and manage the P&L of their retirement plan business.

That process often begins with an analysis — one that Nuveen has outlined in a series it calls the "5 Components of a Profitable Retirement Plan Practice (see box). In fact, NAPA Net's 2018 Summit Insider survey found that less than a third (31%) of retirement plan advisors are currently tracking profitability on a per plan basis.

For those who are looking to take that focus to the next level — to move on to that more efficient frontier — Nuveen has introduced a Plan Profit (k)alculatorTM that is designed to: (1) identify some of the most important variables that impact plan profitability; (2) determine whether a plan is providing the financial return you seek in your retirement practice; (3) assist to organize the information you need for both prospective and existing clients; and (4) better assess and refine your service model, cost structure and prospecting efforts.

To learn more about Nuveen's investment strategies and how we can help you grow your retirement plan business, contact one of our retirement specialists at 888.842.5433 or visit us at *nuveen.com\retirement*.

A "SMART" START

5 Components of a Profitable Retirement Plan Practice

The most productive advisor/advisor practices:

Segment their plan business
By demographics, plan type, geography, industry, compensation model — and time commitment.

Manage their time
Know how they are spending their day. Knowing how much time you are spending on a per client basis is one of the most important attributes to managing profitability.

Agree on services
Establish clear expectations via a client service agreement. The best way to control the time demands of a plan is through a detailed client service agreement. Additionally, this is a great way to demonstrate your value.

Recognize worth
Determining a billable hourly rate allows them to better understand and control costs, revenue targets and overall profitability. It can also help determine the best allocation of resources among team members.

Have a Target
Establish, monitor and maintain both firm and individual development goals.

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The 1% Rule of the Internet

What's the key to hacking the biological platform of social media?

BY SPENCER X SMITH

I start many of my presentations by asking the audience for their reaction to this statement: "Social media is more biological than mathematical." After a short while, they begin to make the connection. "When you're posting and interacting on social media, you are interacting with people," they respond.

You may have read a dozen "how to" articles about cracking the algorithms — which sound very mathematical — of any social media platform, but at the end of the day, you're communicating with people. And as people, social media users are prone to one very natural, very biological tendency: They forget things. They forget people.

Memories have a biological half-life. If someone sees you or sees something you post, there might be a 50% chance that they'll think about you during the next week. The second week? Maybe a 25% chance. Unless you give your connections a new reason to think about you, the likelihood of them thinking doing so drops dramatically from the point when you last communicated with them.

At any given moment, you can be sure of one thing: Either your prospective clients are thinking about you or they're not thinking about you.

Well, duh. But consider the importance of this fact for a moment. If they're not thinking about you, there's a 0% chance

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> "Social media offers you the chance to become 'famous.' All you have to do is be consistent."

that they're going to call you when they face a problem.

Social media is a great way to make your clients think about you.

Before social media, this was a lot harder. Long before social media took off, I worked in sales for a major recordkeeper. I lived in Madison, Wisconsin, but my first sales territory was Indiana. Eventually I graduated to Chicago, and finally I got home to Wisconsin. I kept the same phone number with each jump. I had made a habit of calling the advisors with whom I was working on a regular basis, and through my time in each territory I developed many working relationships.

But each time I moved on to the next territory, I rarely, if ever, heard from those connections again. My contact info was the same, but since I wasn't calling them, they forgot about me. Since we didn't have social media, the only way for me to contact them would be to use work time that was reserved for my current territory, or to use my personal time that was reserved for my family and personal friends. Had social media existed back then, it would have been a lot easier to maintain those business relationships.

Additionally, social media offers you the chance to become "famous." All you have to do is be consistent.

Here's what I mean: When I was a kid, if you had asked me to name five famous people, I would have listed a couple of actors, a few major league baseball players, and the President of the United States. And a lot of people my age would have named the same celebrities. At the time, the number of people who could become famous was finite. Either you were in the movies, a professional athlete, or a politician.

But now we have massive numbers of micro-celebrities. Ask 100 12-year-olds who their favorite YouTuber is, and you'll get around 100 answers. Members of niche audiences can easily find each other, and from each niche a leader emerges.

Due to the sheer scope of social media, you don't have to become famous in the traditional sense — CEO of a Fortune 500 company, NBA player, movie star — before you start having an impact on people that you've never met. Social media gives you a path to earn fame by producing great content, consistently.

Everyone thinks, "Why me? Why would anyone care about what I have to say?" My answer: "Why not you?"

Have you heard of the 1% Rule of the Internet? It's a phenomenon that applies across any kind of digital network. Internet users are divided into these three categories (you're going to recognize yourself in one of them):

- 90% of users are only observers and consumers. You'll hear the kids these days call them "lurkers" or "creepers." They read, watch, listen, laugh, cry, or rage, but they don't engage.
- 9% of users engage. They like, comment, and share. They show other people they're listening while also furthering the conversation.
- 1% of users — only a fraction of people online — create.

Which category do you fall into?

Now let's talk about the 9% who create and the 1% who engage.

If you publish content on the internet, and you track the engagement metrics because you're obsessed with knowing the Return of Investment (ROI) of your effort, you can only ever track 10% of your potential impact!

Keep the 1% Rule of the Internet in mind. If you know there are people out there watching, even though they're not engaging, it's incumbent on you to keep serving them, knowing that they are, in fact, paying attention.

The first excuse I hear as to why someone is not on social media is that no one is listening. "What's the point?" they ask. "What's the ROI?"

But think about your own behavior. How many posts, conversations, videos and tweets do you read without engaging at all?

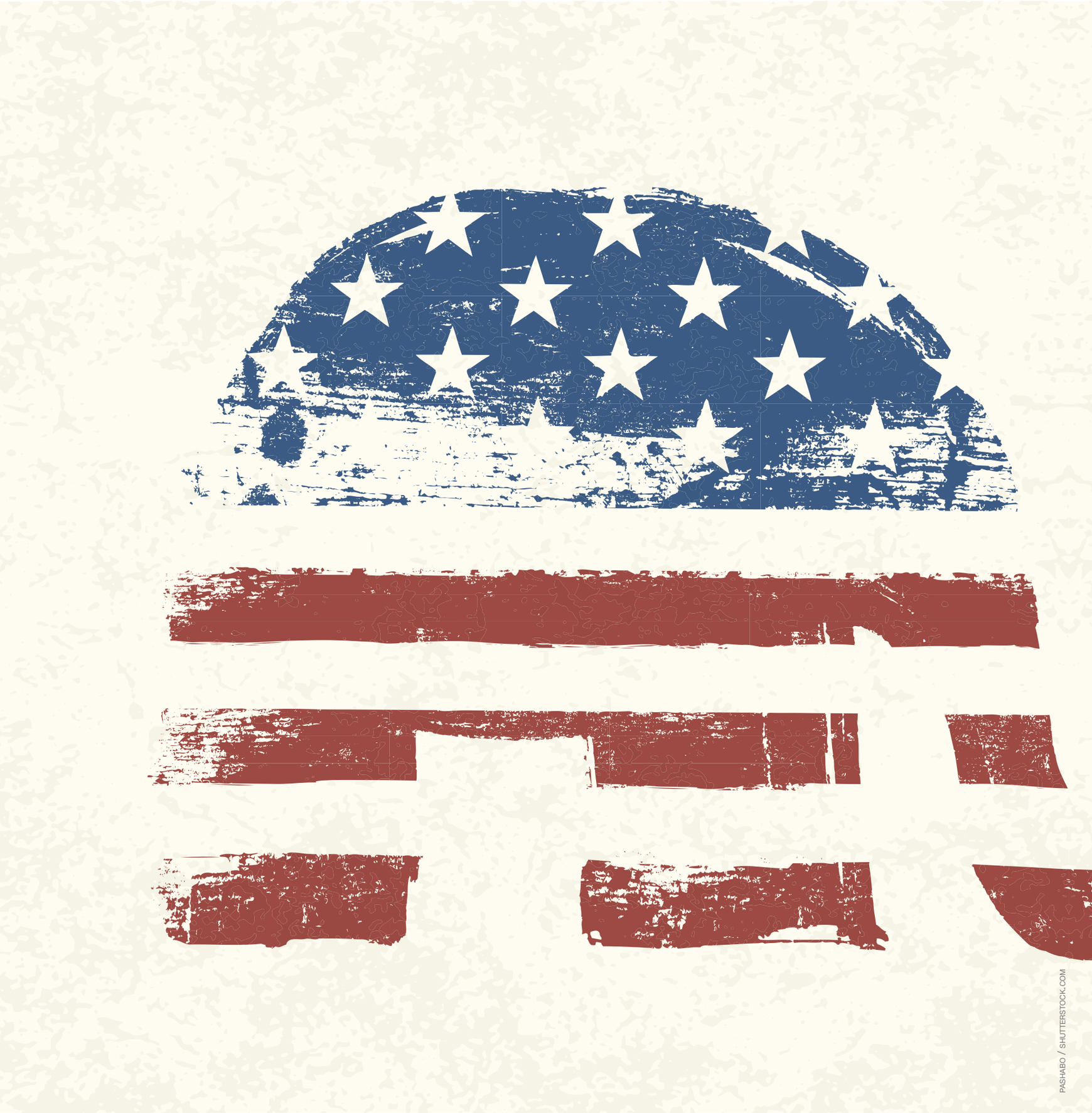
People are listening, and simply by creating content, you have the opportunity to distinguish yourself as part of the 1%.

The key to hacking the biological platform of social media is consistency. It's better to provide snippets of value every few days than to let months pass between posts. This goes back to that biological half-life.

Think about binge watching a show on Netflix. When Netflix releases a whole season of "Orange is the New Black" at once, everyone talks about it for a week. They're obsessed with the complex story lines and characters. But three months later, while waiting for the next season to be produced, nobody is thinking about Piper.

All it takes for you to stay at the top of your connections' mind on social media is to post valuable content consistently. There's no mathematical formula. It's just human nature.

» Spencer X Smith is the founder of spencerXsmith.com. He's a former 401(k) wholesaler, and now teaches financial services professionals how to use social media for business development. He may be reached at spencerXsmith.com.



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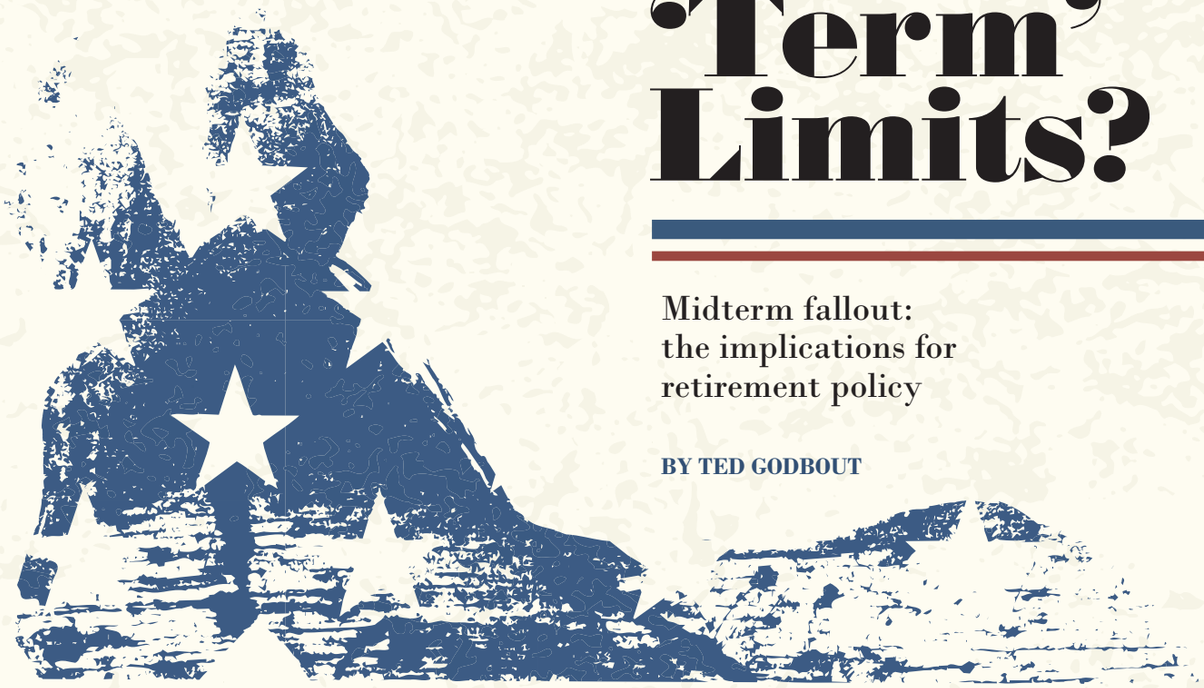
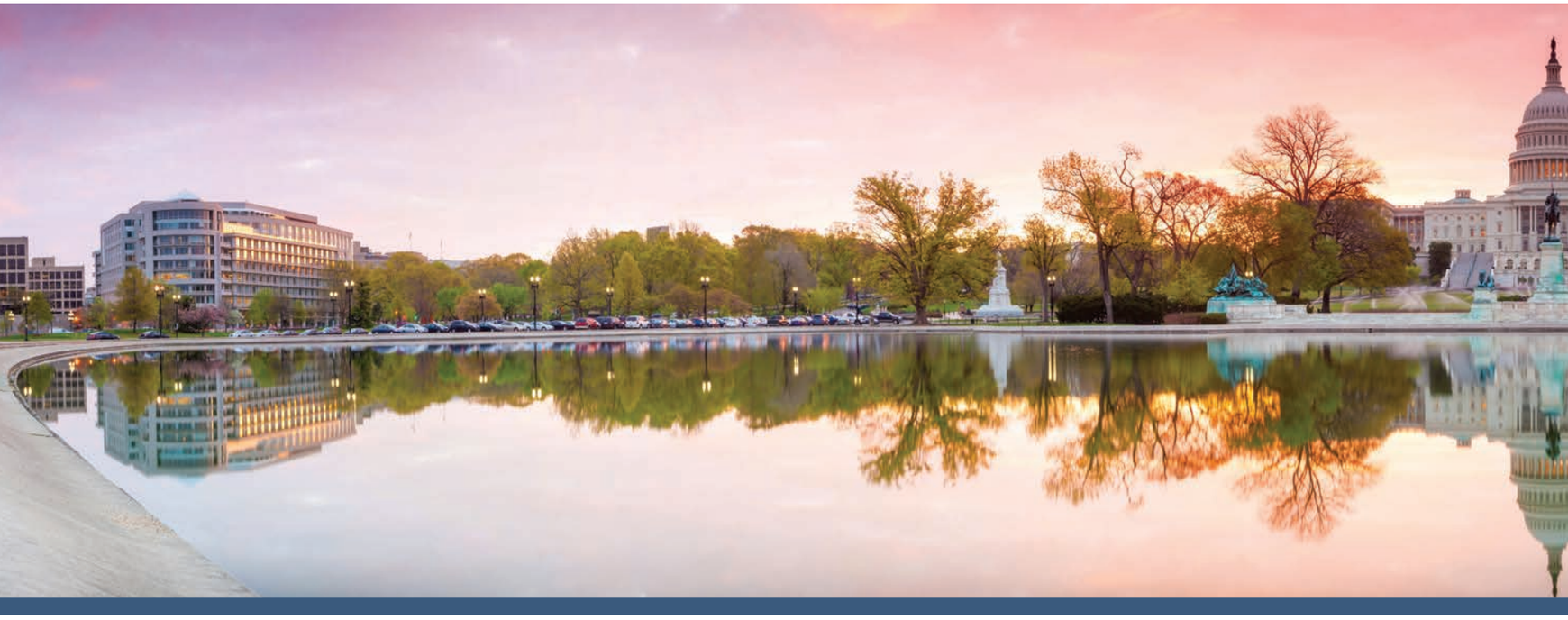


'Term' Limits?

Midterm fallout: the implications for retirement policy

BY TED GODBOUT



Change is coming to the nation's capital – and the ramifications for retirement policy could be significant.

Clearly, the biggest shift will be the Democrats taking control of the House of Representatives during the 116th Congress, and the resulting divided party control in the House and Senate, will no doubt, create political and policy challenges. But while many Beltway pundits contend that the next two years will be stalled with gridlock, that may not be the case with retirement policy, despite the divided Congress.

For starters, momentum has been building for quite some time on both sides of the political aisle that an update is needed to the Pension Protection Act of 2006 to build on the successes of the legislation — now heading into its second decade — as well as to address some of the perceived shortcomings.

Moreover, it's become something of a mantra among policymakers and academics that there is a retirement savings crisis in America. While that remains a hotly debated topic, there's little disagreement that there remains a coverage gap, at least in terms of access to an employer-sponsored plan. In view of data that suggests that even modest income workers are 12 times more likely to save when they have such a plan, expanding access remains a key policy objective.

Another area primed for action is addressing retirement adequacy for those who are saving, but may not be saving enough to live a secure retirement, particularly considering increases in life expectancy. As part of this, policymakers are looking to, among other things, build on the success of automatic contribution arrangements, lifting both the floor and ceiling established by the PPA's automatic enrollment safe harbor, as well as make it easier to offer lifetime income alternatives, and to reduce plan leakage through mechanisms such as auto-portability.

Accordingly, several key lawmakers in both parties have been circulating legislative proposals to address these and other related issues. In just the past year, we have seen legislation that would expand multiple employer plans, or MEPs, address the issues with lifetime income offerings, expand and enhance auto-enrollment and auto-escalation, as well as address employees' reluctance to save because of student loan debt. More recently, President Trump's Executive Order calling for measures to expand access to workplace retirement plans for American workers provides added impetus.

Leadership and Policy Impacts

As anticipated, Democrats retook control of the House for the first time since 2010, and if their majority is modest, it is all that is needed in that Chamber to lead the committees and set the legislative agenda.

In the Senate, Republicans managed to expand their majority, but not enough to attain the 60-vote threshold needed to break a filibuster — and thus they will still need cooperation from Senate Democrats.

Committee Turnover

Leadership changes aside, a number of veteran lawmakers on key retirement policy committees lost their bids for reelection, including four Republican members of the powerful House Ways & Means Committee, as well as three members of the Senate Finance Committee.

The Ways & Means Republicans who will not be back next year include Carlos

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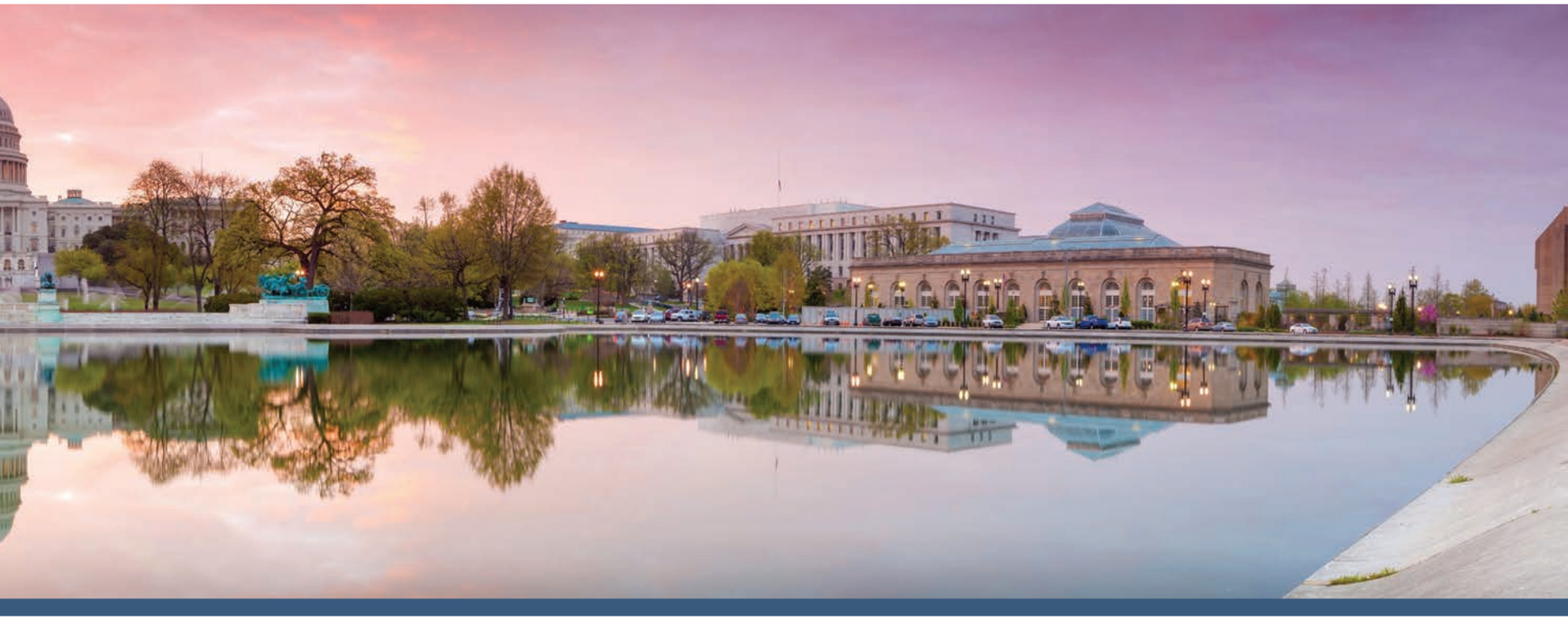
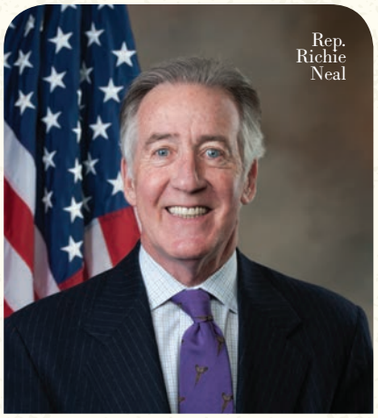


Curbelo (FL), Erik Paulsen (MN) and Mike Bishop (MI). Perhaps most notable of this group is Peter Roskam (IL), who served as chairman of the tax policy subcommittee and was a constant player in the retirement security arena.

The Senate Finance Committee members who were defeated include Democratic Sens. Claire McCaskill (MO) and Bill Nelson (FL), along with GOP Sen. Dean Heller (NV). In addition, Senate Finance Committee Chairman Orrin Hatch (R-UT) is retiring, which, as noted below, opens the seat for a new chairman.



Rep. Richie Neal

Incoming Ways & Means Committee Chair

One of the biggest impacts for retirement policy will likely be the elevation of Rep. Richie Neal (D-MA) to chairman of the powerful House Ways & Means Committee. Neal has long been a champion of retirement policy and, as recently as late 2017, introduced two pieces of ambitious legislation that seek to shore up retirement savings across the spectrum of plans.

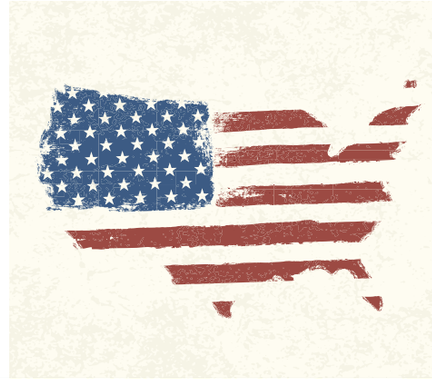
Neal's Retirement Plan Simplification and Enhancement Act (RPSEA) included numerous changes that seek to encourage small businesses to offer plans as well as simplify the existing rules for employer-sponsored plans. Among those changes were modification of the current automatic enrollment safe harbor and establishing a new automatic safe harbor, including changes to minimum default contributions, matching contributions and a special tax credit.

The arguably more provocative Automatic Retirement Plan Act (ARPA) would require employers above a certain size to have or establish a 401(k) or 403(b) plan that covers all eligible employees — and, at least in its current form — would expand that definition of eligible employees beyond ERISA's current standards to all employees who are 21 or older, including new, part-time workers. However, certain employees would not be required to be covered, such as those subject to a collective bargaining agreement, nonresident aliens or seasonal workers employed for less than three months, and small employers, governments, churches and businesses not in existence for three years would be exempted. The bill also allows for expanded access to MEPs and increases the start-up credit for small employers.

Another House committee change that could have an impact on retirement and investment policy is the Education and the Workforce Committee, where Rep. Bobby Scott (D-VA) will likely take over from current chair Rep. Virginia Foxx (R-NC). This committee oversees all matters dealing with workforce-related issues, including labor relations and employment-related health and retirement security matters dealing with ERISA. Rep. Scott has been strongly critical of the 5th Circuit's ruling vacating the 2016 fiduciary rule — and some think he may focus on regulation of 401(k) and IRA fees and conflicts of interest.

In addition, Rep. Maxine Waters (D-CA) will take over as chair of the Financial Services Committee, which oversees Dodd-Frank issues. Rep. Jeb Hensarling (R-TX),

> "While many Beltway pundits contend that the next two years will be stalled with gridlock, that may not be the case with retirement policy, despite the divided Congress."



the current chairman, is retiring at the end of this term.

Senate Finance Committee Changes

Meanwhile, in what will be his third stint as chairman, Republican Senator Charles Grassley of Iowa has decided to return as chairman of the powerful Senate Finance Committee. When the 116th Congress convenes in January, Grassley, 85, will step down from his position as chairman of the Judiciary Committee to take on the Finance role, following the retirement of Sen. Orrin Hatch (R-UT). Grassley chaired the Finance Committee in the early-to-mid 2000s, when the Pension Protection Act of 2006 was signed into law. Many of that law's provisions originated and advanced through the committee under his leadership.

Grassley was also a key sponsor of the retirement reforms (along with the Portman-Cardin legislation in the House) that formed the basis of the provisions that were enacted in the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and later made permanent in the PPA '06. Those reforms included higher 401(k) and IRA limits, catch-up contributions for workers age 50 and older, a permanent Savers' Credit and a wide array of other savings initiatives.

Grassley has been somewhat quiet over the past two years with respect to retirement security initiatives, but he has been supportive of the Retirement Enhancement and Savings Act (RESA) sponsored by Sen. Hatch and he is a strong proponent of the Tax Cuts and Jobs Act. Grassley also previously expressed alarm over the Labor Department's now-vacated fiduciary regulation. Prior to the rule's finalization in 2016, Grassley argued that substantial changes were needed, contending that it would limit the ability of his constituents to access investment advice and the same level of retirement planning education.

That said, under the Senate Republican Conference rules, Grassley only has two years remaining to serve as Finance Committee chair and will be able to serve for one full Congress.

Portman-Cardin Draft

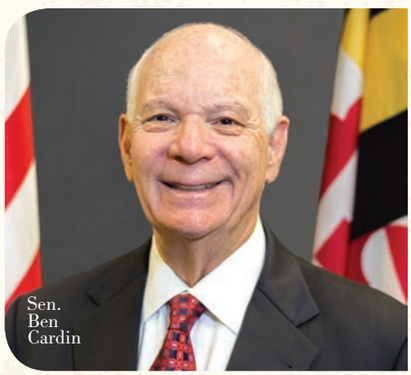
As to key lawmakers circulating legislative proposals, Sens. Rob Portman (R-OH) and Ben Cardin (D-MD), who both serve on the Finance Committee, are in the process of drafting legislation that could be one of the most sweeping pieces of retirement security legislation since the PPA.

Portman and Cardin, who have worked together on retirement policy issues going back to their days in the House more than 20 years ago, have circulated a draft for feedback with the intent to introduce the legislation before Congress adjourns for the year.

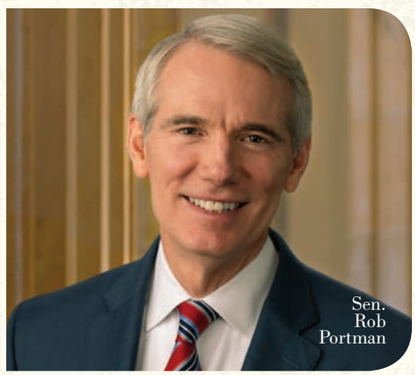
Areas the legislation would address include expanding coverage and increasing retirement savings, preserving income, simplifying and clarifying retirement plan rules, defined benefit plan reforms, reforming plan rules to harmonize with IRA rules, and phased retirement.

Lame 'Ducked'?

As we headed to press, Congress was still engaged in a post-election "lame duck" session.[1] While there had been hope that the House and Senate might complete action on pending retirement security legislation before adjourning, there has been no indication since the elections that Congress intends to do so.



Sen. Ben Cardin



Sen. Rob Portman

PASHABO / SHUTTERSTOCK.COM

Retiring Sen. Hatch is one of the lead sponsors of the bipartisan Retirement Enhancement and Savings Act (RESA), which was reintroduced in March 2018 after stalling on the Senate floor in 2016 (after passing the Senate Finance Committee on a bipartisan vote of support, 26-0, a margin that these days is reserved to items such as naming post offices). RESA includes several provisions that seek to make it easier for small businesses to adopt and maintain a workplace retirement plan. In general, the legislation provides a more generous tax credit to defray the cost of starting a retirement plan and adds an additional tax credit for plans with an automatic enrollment feature. It also removes the 10% cap on default contributions for auto-enrollment and auto-escalation in DC plans.

What's more, RESA aims to expand retirement plan coverage by allowing otherwise unrelated employers to join a pooled employer plan, as well as give small business owners until the due date of the employer's tax return to adopt a qualified retirement plan. RESA also seeks to improve upon the existing 401(k) safe harbor plan design by giving small business owners more flexibility to switch to a safe harbor plan. The Portman-Cardin proposal noted above includes more than 70 provisions and builds on the provisions included in RESA as well as the House-passed Family Savings Act (H.R. 6757).

The Family Savings Act is the retirement component of current Ways & Means Committee Chairman Kevin Brady's (R-TX) three-part "Tax Reform 2.0" initiative. The bill seeks to ease the commonality rules for MEPs and eliminate the "one bad apple" rule, as well as create a new Universal Savings Account (USA) and ease the non-discrimination rules for frozen DB plans. It also includes a safe harbor for the selection of a lifetime income provider within a DC plan, as well as a slew of other provisions, many of which were drawn from RESA.

Incoming Ways & Means Chairman Richard Neal has vowed to make retirement security a policy priority and he has a history of working across party lines. In addition, as noted above, Sen. Grassley has an extensive record on moving important policy legislation.

And that doesn't include the potential for new initiatives from the administration, such as President Trump's recent Executive Order calling for:

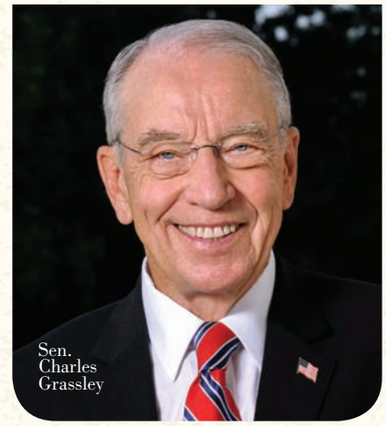
- expanded access to multiple employer plans;
- simplification of retirement plan disclosures for participants and beneficiaries, while also reducing the costs and burdens they impose on employers and plan fiduciaries; and
- updating life expectancy and distribution tables for purposes of required minimum distribution rules.

Additionally, the Labor Department and Securities and Exchange Commission recently published target release dates of September 2019 (the end of the federal government's fiscal year) for their fiduciary and advice rulemaking initiatives.

Moreover, let's not forget that Congress needs to address must-pass legislation each year — such as annual spending bills — which will force the House, Senate and Trump administration to compromise — or run the risk of a government shutdown. These types of bills oftentimes pick up other unrelated policy provisions to help build support for the legislation.

Multiemployer 'Motivation'?

Looming over both the lame duck session — and perhaps the next Congress — are concerns about the multiemployer (not multiple employer plan) financial crisis. Proposed legislation from the Joint Select Committee on Solvency of Multiemployer Pension Plans (authorized by the Bipartisan Budget Act of 2018 and chaired by Sen. Hatch) is due by Nov. 30, 2018. The Pension Benefit Guaranty Corporation (PBGC), which serves as insurer for the nation's private pension system, recently reported that the Multiemployer Program


Sen. Charles Grassley

protects about 10.6 million workers and retirees in about 1,400 pension plans, but also that, in fiscal 2018, the agency paid $153 million in financial assistance to 81 insolvent multiemployer plans. At year-end there were 78 insolvent plans expected to continue to receive financial assistance covering 62,300 participants currently receiving benefits.

Democrats have, at least once in the past, been prepared to withhold support from retirement legislation over this issue. Indeed, in 2016, Democratic members of the Senate Finance Committee conditioned their approval of RESA on committee approval of relief for the UMW multiemployer health and pension funds (the Miners Protection Act of 2016). Consequently, it is entirely possible that Democrats will, once again, insist on some Republican support on that issue in order to back broader retirement legislation. Will that slow — or perhaps accelerate — that legislation? At this point, it's anybody's guess.

Regardless of whether the House and Senate take up RESA, the Family Savings Act or similar or legislation during the lame duck session — or don't — the prospects seem good that retirement policy legislation will be front and center in the 116th Congress — despite, or perhaps as a result of — divided-party rule and likely gridlock on many other policy matters.

[1] The term today is primarily associated with an officeholder or politician seen as having considerably less authority at the end of tenure or term of office because either he or she is ineligible or is not seeking another term. However, originally, it denoted a member of a stock exchange who was "hammered" and expelled from the membership for being unable to meet financial or contractual obligation. Source: Business Dictionary. Read more: *http://www.businessdictionary.com/definition/lame-duck.html*

LIGHTSPRING / SHUTTERSTOCK.COM

TEAM 'WORKS'

BY NEVIN E. ADAMS, JD

Since their inception, NAPA's various industry lists have been a valuable Who's Who of who matters in the world of retirement plans and retirement plan advisors. This latest chapter – our second annual listing of the NAPA Top DC Advisor Teams – once again presents a compelling case for the impact on the nation's private retirement system.

This list, ranked by self-reported DC assets under advisement, actually contains fewer teams than did our inaugural list, though we maintained the AUA threshold of $100 million. However – and doubtless the strong markets have played a factor – the total AUA of the firms on this list is more than double last year's tally: nearly $630 billion in DC assets under advisement.

More significantly, those teams include more than 1200 advisors – and many more support personnel – working to help Americans prepare for a financially satisfying retirement.

This year we have also included the list of top DC Advisor Multi-Office Firms. Once again, we capped this list as those firms have more than $1 billion in assets under advisement. This year's list was somewhat longer – but the totals were no less impressive; nearly $2 trillion in AUA, more than 187,000 plans supported, and more than 25 million participants are covered by these firms.

Sure, we know it's not just about the numbers – but the reality is that advisors are having a huge impact every single day, not only on the quality of retirement plan advice, but in building a more financially secure retirement for millions of Americans.

We appreciate the commitment and hard work of the teams acknowledged – and are proud to have the opportunity to share it here.

CAPTRUST RALEIGH
captrust.com
Raleigh, NC
Year Est.: 1997

Total Advisors in Team: 34
Total DC Plan Assets*: $49,945,290,446
Total DC Plans*: 484
Total DC Participants*: 4,250,000

CAPTRUST RICHMOND
captrust.com
Richmond, VA
Year Est.: 2005

Total Advisors in Team: 2
Total DC Plan Assets*: $48,432,514,342
Total DC Plans*: 176
Total DC Participants*: 554,000

CAPTRUST CHARLOTTE
captrust.com
Charlotte, NC
Year Est.: 2003

Total Advisors in Team: 9
Total DC Plan Assets*: $38,642,260,494
Total DC Plans*: 117
Total DC Participants*: 80,061

MULTNOMAH GROUP, INC.
multnomahgroup.com
Portland, OR
Year Est.: 2003

Total Advisors in Team: 7
Total DC Plan Assets*: $18,624,044,139
Total DC Plans*: 175
Total DC Participants*: N/A

CAPTRUST MINNEAPOLIS
captrust.com
Minneapolis, MN
Year Est.: 1995

Total Advisors in Team: 11
Total DC Plan Assets*: $18,015,107,057
Total DC Plans*: 91
Total DC Participants*: 205,000

CENTURION GROUP, LLC
centuriongroupllc.com
Plymouth Meeting, PA
Year Est.: 2006

Total Advisors in Team: 8
Total DC Plan Assets*: $16,200,000,000
Total DC Plans*: 180
Total DC Participants*: 550,000

INNOVEST PORTFOLIO SOLUTIONS, LLC
innovestinc.com
Denver, CO
Year Est.: 1996

Total Advisors in Team: 16
Total DC Plan Assets*: $16,150,196,324
Total DC Plans*: 126
Total DC Participants*: 208,473

ADVANCED CAPITAL GROUP
acgbiz.com
Minneapolis, MN
Year Est.: 2002

Total Advisors in Team: 9
Total DC Plan Assets*: $15,089,967,457
Total DC Plans*: 99
Total DC Participants*: 135,000

CAPTRUST DOYLESTOWN
captrust.com
Doylestown, PA
Year Est.: 2006

Total Advisors in Team: 6
Total DC Plan Assets*: $15,061,617,511
Total DC Plans*: 137
Total DC Participants*: 550,000

FIDUCIARYVEST, LLC
fiduciaryvest.com
Atlanta, GA
Year Est.: 2005

Total Advisors in Team: 7
Total DC Plan Assets*: $13,113,302,175
Total DC Plans*: 48
Total DC Participants*: 201,000

CAPTRUST PORTLAND
captrust.com
Portland, ME
Year Est.: 2006

Total Advisors in Team: 1
Total DC Plan Assets*: $12,976,550,356
Total DC Plans*: 50
Total DC Participants*: 114,000

CAPTRUST LAKE MARY
captrust.com
Lake Mary, FL
Year Est.: 2010

Total Advisors in Team: 1
Total DC Plan Assets*: $10,000,000,000
Total DC Plans*: 45
Total DC Participants*: 125,000

CAPTRUST DALLAS
captrust.com
Dallas, TX
Year Est.: 2010

Total Advisors in Team: 2
Total DC Plan Assets*: $8,632,397,064
Total DC Plans*: 40
Total DC Participants*: 78,000

INVESTMENT RESEARCH & ADVISORY GROUP
iragroup.com
Atlanta, GA
Year Est.: 1992

Total Advisors in Team: 6
Total DC Plan Assets*: $8,000,000,000
Total DC Plans*: 102
Total DC Participants*: 125,000

FRANCIS INVESTMENT COUNSEL
francisinvco.com
Brookfield, WI
Year Est.: 1988

Total Advisors in Team: 15
Total DC Plan Assets*: $7,833,083,663
Total DC Plans*: 65
Total DC Participants*: 75,000

CAPTRUST ATLANTA
captrust.com
Atlanta, GA
Year Est.: 2005

Total Advisors in Team: 2
Total DC Plan Assets*: $7,317,302,553
Total DC Plans*: 50
Total DC Participants*: 96,500

GALLAGHER - ILLINOIS
ajg.com/solutions/benefits-hr-consulting/retirement-plan-consulting
Rolling Meadows, IL
Year Est.: 2004

Total Advisors in Team: 9
Total DC Plan Assets*: $7,100,000,000
Total DC Plans*: 216
Total DC Participants*: 102,000

CAPTRUST AKRON
captrust.com
Akron, OH
Year Est.: 2001

Total Advisors in Team: 4
Total DC Plan Assets*: $7,069,681,478
Total DC Plans*: 84
Total DC Participants*: 100,000

WESTMINSTER CONSULTING, LLC
westminster-consulting.com
Rochester, NY
Year Est.: 2003

Total Advisors in Team: 5
Total DC Plan Assets*: $7,000,000,000
Total DC Plans*: 60
Total DC Participants*: 60,000

ARTHUR J. GALLAGHER & CO.
ajg.com
Houston, TX
Year Est.: 1927

Total Advisors in Team: 5
Total DC Plan Assets*: $6,500,000,000
Total DC Plans*: 245
Total DC Participants*: 320,000

CAPTRUST ALLENTOWN
captrust.com
Allentown, PA
Year Est.: 2000

Total Advisors in Team: 10
Total DC Plan Assets*: $6,336,373,563
Total DC Plans*: 73
Total DC Participants*: 125,000

** As of 12/31/17*

GLADING GROUP AT GRAYSTONE CONSULTING
msgraystone.com/gladinggroup
Florham Park, NJ
Year Est.: 2002

Total Advisors in Team: N/A
Total DC Plan Assets*: $6,000,000,000
Total DC Plans*: 17
Total DC Participants*: 80,000

THE PARKS GROUP AT GRAYSTONE CONSULTING
msgraystone.com/theparksgroup
Milwaukee, WI
Year Est.: 1981

Total Advisors in Team: 8
Total DC Plan Assets*: $5,955,720,329
Total DC Plans*: 63
Total DC Participants*: 77,000

CAPTRUST LOS ANGELES
captrust.com
Westlake Village, CA
Year Est.: 2009

Total Advisors in Team: 3
Total DC Plan Assets*: $5,846,197,535
Total DC Plans*: 72
Total DC Participants*: 193,000

GRAYSTONE CONSULTING – LOS ANGELES
msgraystone.com/losangeles
Westlake Village, CA
Year Est.: 2008

Total Advisors in Team: 5
Total DC Plan Assets*: $5,733,283,424
Total DC Plans*: 48
Total DC Participants*: N/A

CAPTRUST TAMPA
captrust.com
Tampa, FL
Year Est.: 1998

Total Advisors in Team: 15
Total DC Plan Assets*: $5,500,000,000
Total DC Plans*: 87
Total DC Participants*: 50,000

WHARTONHILL ADVISORS –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
whartonhill.com
Fort Washington, PA
Year Est.: 1990

Total Advisors in Team: 8
Total DC Plan Assets*: $5,366,193,602
Total DC Plans*: 220
Total DC Participants*: 65,588

MESIROW FINANCIAL RETIREMENT PLANNING AND ADVISORY
mesirowfinancial.com
Chicago, IL
Year Est.: 1937

Total Advisors in Team: 8
Total DC Plan Assets*: $5,200,000,000
Total DC Plans*: 250
Total DC Participants*: 25,000

MRP –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
mrpretire.com
Denver, CO
Year Est.: 2005

Total Advisors in Team: 13
Total DC Plan Assets*: $5,200,000,000
Total DC Plans*: 214
Total DC Participants*: 54,000

LEAFHOUSE FINANCIAL
leafhousefinancial.com
Austin, TX
Year Est.: 2009

Total Advisors in Team: 6
Total DC Plan Assets*: $5,000,000,000
Total DC Plans*: 1200
Total DC Participants*: 85,000

CAFARO GREENLEAF
cafarogreenleaf.com
Red Bank, NJ
Year Est.: 1981

Total Advisors in Team: 12
Total DC Plan Assets*: $4,600,000,000
Total DC Plans*: 300
Total DC Participants*: 1,500,000

THE ROBERTSON GROUP AT GRAYSTONE CONSULTING
fa.morganstanley.com/therobertsongroup
Columbus, OH
Year Est.: 1993

Total Advisors in Team: 6
Total DC Plan Assets*: $4,500,000,000
Total DC Plans*: 100
Total DC Participants*: 28,543

R. APPLEGATE & ASSOCIATES, LLC
dbroot.com
Pittsburgh, PA
Year Est.: 2018

Total Advisors in Team: 3
Total DC Plan Assets*: $4,400,607,359
Total DC Plans*: 44
Total DC Participants*: 60,000

GRAYSTONE CONSULTING BOSTON NORTH SHORE
graystoneconsulting.com
Middleton, MA
Year Est.: 1998

Total Advisors in Team: 3
Total DC Plan Assets*: $4,200,000,000
Total DC Plans*: 45
Total DC Participants*: 60,000

INTRUST RETIREMENT
intrustretirement.com
Wichita, KS
Year Est.: 1996

Total Advisors in Team: 11
Total DC Plan Assets*: $4,080,000,000
Total DC Plans*: 205
Total DC Participants*: 46,500

HARGRAVE FIDUCIARY ADVISORS –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
hargravefiduciaryadvisors.com
San Rafeal, CA
Year Est.: 2006

Total Advisors in Team: 2
Total DC Plan Assets*: $4,000,000,000
Total DC Plans*: 26
Total DC Participants*: N/A

MARINER WEALTH ADVISORS
marinerwealthadvisors.com
Overland Park, KS
Year Est.: 2006

Total Advisors in Team: 8
Total DC Plan Assets*: $3,976,884,484
Total DC Plans*: 232
Total DC Participants*: 61,204

CAPTRUST DES MOINES
captrust.com
Des Moines, IA
Year Est.: 1998

Total Advisors in Team: 5
Total DC Plan Assets*: $3,684,750,123
Total DC Plans*: 107
Total DC Participants*: 65,000

PRECEPT ADVISORY GROUP
preceptadvisory.com
Irvine, CA
Year Est.: 2005

Total Advisors in Team: 5
Total DC Plan Assets*: $3,550,000,000
Total DC Plans*: 55
Total DC Participants*: 50,000

ENTERPRISE RETIREMENT SOLUTIONS
amegybank.com/business/investment-services/retirement-plan-services
Houston, TX
Year Est.: 1996

Total Advisors in Team: 9
Total DC Plan Assets*: $3,530,000,000
Total DC Plans*: 209
Total DC Participants*: 38,000

CAPTRUST CLARKSTON
captrust.com
Clarkston, MI
Year Est.: 1988

Total Advisors in Team: 7
Total DC Plan Assets*: $3,505,201,250
Total DC Plans*: 301
Total DC Participants*: 31,000

FIDUCIARYFIRST
fiduciaryfirst.com
Maitland, FL
Year Est.: 2006

Total Advisors in Team: 4
Total DC Plan Assets*: $3,500,000,000
Total DC Plans*: 70
Total DC Participants*: 15,000

** As of 12/31/17*

MAYFLOWER ADVISORS, LLC
mayfloweradvisors.com
Boston, MA
Year Est.: 2002

Total Advisors in Team: N/A
Total DC Plan Assets*: $3,500,000,000
Total DC Plans*: 175
Total DC Participants*: 22,000

THE MOTT GROUP @ GRAYSTONE CONSULTING
msgraystone.com/themottgroup
Houston, TX
Year Est.: 1988

Total Advisors in Team: 2
Total DC Plan Assets*: $3,500,000,000
Total DC Plans*: 38
Total DC Participants*: 30,000

401K ADVISORS INTERMOUNTAIN
401kaim.com
Sandy, UT
Year Est: 1991

Total Advisors in Team: 2
Total DC Plan Assets*: $3,475,000,000
Total DC Plans*: 154
Total DC Participants*: 45,000

PENSION CONSULTANTS, INC.
pension-consultants.com
Springfield, MO
Year Est.: 1994

Total Advisors in Team: 12
Total DC Plan Assets*: $3,466,046,596
Total DC Plans*: 84
Total DC Participants*: 114,500

STONESTREET RENAISSANCE (SSRBA)
ssrba.com
Pearl River, NY
Year Est.: 1998

Total Advisors in Team: 3
Total DC Plan Assets*: $3,368,000,000
Total DC Plans*: 95
Total DC Participants*: 50,000

FIDUCIARY PLAN ADVISORS
htfpa.com
Owings Mills, MD
Year Est.: 2014

Total Advisors in Team: 6
Total DC Plan Assets*: $3,300,000,000
Total DC Plans*: 80
Total DC Participants*: 10,000

STRATEGIC RETIREMENT PARTNERS – WHITE OAK
srpretire.com
Indianapolis, IN
Year Est.: 1993

Total Advisors in Team: 2
Total DC Plan Assets*: $3,222,441,282
Total DC Plans*: 64
Total DC Participants*: 50,000

CAPTRUST BOSTON
captrust.com
Boston,MA
Year Est.: 2012

Total Advisors in Team: 1
Total DC Plan Assets*: $3,200,000,000
Total DC Plans*: 33
Total DC Participants*: 34,000

PROCOURSE FIDUCIARY ADVISORS, LLC
procourseadv.com
Carmel, IN
Year Est.: 1998

Total Advisors in Team: 4
Total DC Plan Assets*: $3,200,000,000
Total DC Plans*: 105
Total DC Participants*: 70,000

BRIDGEHAVEN FIDUCIARY PARTNERS
bridgehavenfp.com
Warren, NJ
Year Est: 2009

Total Advisors in Team: 6
Total DC Plan Assets*: $3,000,000,000
Total DC Plans*: 58
Total DC Participants*: 105,000

HEFFERNAN FINANCIAL SERVICES –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
heffgroupfs.com
San Francisco, CA
Year Est.: 1991

Total Advisors in Team: 7
Total DC Plan Assets*: $3,000,000,000
Total DC Plans*: 150
Total DC Participants*: 35,000

SOLTIS INVESTMENT ADVISORS
soltisadvisors.com
St. George, UT
Year Est.: 1993

Total Advisors in Team: 17
Total DC Plan Assets*: $3,000,000,000
Total DC Plans*: 121
Total DC Participants*: 70,000

PLANTE MORAN FINANCIAL ADVISORS INSTITUTIONAL INVESTMENT CONSULTING
plantemoran.com
Southfield, MI
Year Est.: 1998/1977

Total Advisors in Team: 16
Total DC Plan Assets*: $2,998,850,142
Total DC Plans*: 155
Total DC Participants*: N/A

CAPTRUST BIRMINGHAM
captrust.com
Birmingham, AL
Year Est.: 2008

Total Advisors in Team: 2
Total DC Plan Assets*: $2,850,000,000
Total DC Plans*: 36
Total DC Participants*: 64,228

GRAYSTONE CONSULTING | CINCINNATI
morganstanleygc.com/graystoneconsulting-cincinnati/
Cincinnati, OH
Year Est.: 1990

Total Advisors in Team: 7
Total DC Plan Assets*: $2,800,000,000
Total DC Plans*: 73
Total DC Participants*: 20,000

SUMMIT FINANCIAL CORPORATION
summitfinancialcorp.com
Burlington, MA
Year Est.: 1993

Total Advisors in Team: 6
Total DC Plan Assets*: $2,800,000,000
Total DC Plans*: 300
Total DC Participants*: 35,000

GRAYSTONE CONSULTING-THE ATLANTIC GROUP AT MORGAN STANLEY
msgraystone.com/theatlanticgroup
Purchase, NY
Year Est.: 2002

Total Advisors in Team: 9
Total DC Plan Assets*: $2,741,086,730
Total DC Plans*: 58
Total DC Participants*: 40,000

BAYSTATE FIDUCIARY ADVISORS
bfa401k.com
Boston, MA
Year Est.: 2002

Total Advisors in Team: 3
Total DC Plan Assets*: $2,616,591,787
Total DC Plans*: 37
Total DC Participants*: 14,971

THE DETTERICK GROUP
fa.morganstanley.com/detterickgroup/index.htm
New York City, NY
Year Est.: 1998

Total Advisors in Team: 11
Total DC Plan Assets*: $2,524,227,289
Total DC Plans*: 24
Total DC Participants*: 30,000

BUKATY COMPANIES FINANCIAL SERVICES
bukatyfs.com
Leawood, KS
Year Est.: 2001

Total Advisors in Team: 9
Total DC Plan Assets*: $2,400,000,000
Total DC Plans*: 315
Total DC Participants*: 80,000

CORNERSTONE ADVISORS ASSET MANAGEMENT, LLC
cornerstone-companies.com
Bethlehem, PA
Year Est.: N/A

Total Advisors in Team: N/A
Total DC Plan Assets*: $2,400,000,000
Total DC Plans*: 100
Total DC Participants*: 32,000

** As of 12/31/17*

GLOBAL RETIREMENT PARTNERS –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
grpfinancial.com
San Juan Capistrano, CA
Year Est.: 2014

Total Advisors in Team: 3
Total DC Plan Assets*: $2,400,000,000
Total DC Plans*: 75
Total DC Participants*: 30,000

PLAN SPONSOR CONSULTANTS.COM
plansponsorconsultants.com
Alpharetta, GA
Year Est.: 2008

Total Advisors in Team: 8
Total DC Plan Assets*: $2,400,000,000
Total DC Plans*: 172
Total DC Participants*: 71,000

SEQUOIA 401(k) ADVISORY TEAM
sequoia.com
San Mateo, CA
Year Est.: 2008

Total Advisors in Team: 15
Total DC Plan Assets*: $2,400,000,000
Total DC Plans*: 330
Total DC Participants*: 60,000

PACIFIC PORTFOLIO CONSULTING
pacific-portfolio.com
Seattle, WA
Year Est.: 1992

Total Advisors in Team: 4
Total DC Plan Assets*: $2,323,439,892
Total DC Plans*: 52
Total DC Participants*: 32,553

SPECTRUM INVESTMENT ADVISORS, INC.
spectruminvestor.com
Mequon, WI
Year Est.: 1995

Total Advisors in Team: 11
Total DC Plan Assets*: $2,300,000,000
Total DC Plans*: 150
Total DC Participants*: 25,000

THE KELLIHER CORBETT GROUP AT MORGAN STANLEY
KelliherCorbettGroup.com
Norwell, MA
Year Est.: 1992

Total Advisors in Team: 6
Total DC Plan Assets*: $2,233,643,016
Total DC Plans*: 108
Total DC Participants*: 41,286

BRONFMAN ROTHSCHILD PLAN ADVISORS
belr.com
Rockville, MD
Year Est.: 1997

Total Advisors in Team: 5
Total DC Plan Assets*: $2,200,000,000
Total DC Plans*: 130
Total DC Participants*: 40,000

DH CONSULTING GROUP OF RAYMOND JAMES
dhconsultinggroup.com
Beverly Hills, CA
Year Est.: 2014

Total Advisors in Team: 9
Total DC Plan Assets*: $2,200,000,000
Total DC Plans*: 58
Total DC Participants*: 35,000

HANDLER INVESTMENT CONSULTING GROUP OF RAYMOND JAMES
handlerinvestmentconsultinggroup.com
Beverly Hills, CA
Year Est: 1991

Total Advisors in Team: 5
Total DC Plan Assets*: $2,200,000,000
Total DC Plans*: 58
Total DC Participants*: 35,000

THE WILSHINSKY GROUP
fa.morganstanley.com/wilshinskygroupsb/index.htm
New York, NY
Year Est.: 1972

Total Advisors in Team: 3
Total DC Plan Assets*: $2,200,000,000
Total DC Plans*: 40
Total DC Participants*: 35,000

ALPHA PENSION GROUP
alphapension.com
Lexington, MA
Year Est.: 2003

Total Advisors in Team: 8
Total DC Plan Assets*: $2,100,000,000
Total DC Plans*: 445
Total DC Participants*: 50,000

SPECTRUM PENSION CONSULTANTS, INC. –
MEMBER OF GRO ADVISOR ALLIANCE
spectrumpension.com
Tacoma, WA
Year Est.: 1978

Total Advisors in Team: 6
Total DC Plan Assets*: $2,100,000,000
Total DC Plans*: 150
Total DC Participants*: 75,000

THE J & R GROUP
fa.ml.com/jrgroup
Chicago, IL
Year Est.: 1994

Total Advisors in Team: 5
Total DC Plan Assets*: $2,100,000,000
Total DC Plans*: 225
Total DC Participants*: 15,000

HOOKER & HOLCOMBE INVESTMENT ADVISORS, INC.
hhconsultants.com
West Hartford, CT
Year Est.: 1997

Total Advisors in Team: 3
Total DC Plan Assets*: $2,064,340,815
Total DC Plans*: 81
Total DC Participants*: 25,000

SPECTRUM INVESTMENT ADVISORS
spectruminvestor.com
Mequon, WI
Year Est.: 1995

Total Advisors in Team: 20
Total DC Plan Assets*: $2,060,000,000
Total DC Plans*: 136
Total DC Participants*: 23,000

GALLAGHER – HEARTLAND REGION TEAM
ajg.com
Brentwood, TN
Year Est.: 2002

Total Advisors in Team: 4
Total DC Plan Assets*: $2,000,000,000
Total DC Plans*: 155
Total DC Participants*: 35,000

THE NOBLE GROUP
thenoblegroup.com
Sugar Land, TX
Year Est.: 1996

Total Advisors in Team: 10
Total DC Plan Assets*: $2,000,000,000
Total DC Plans*: 150
Total DC Participants*: 25,000

STRATEGIC RETIREMENT PARTNERS – NORTHEAST
http://www.srpretire.com
Providence, RI
Year Est: 1996

Total Advisors in Team: 1
Total DC Plan Assets*: 1,849,009,262
Total DC Plans*: 71
Total DC Participants*: 24,500

THE WENZEL GROUP
fa.ml.com/HeuerWenzel
Houston, TX
Year Est.: 2012

Total Advisors in Team: 3
Total DC Plan Assets*: $1,997,000,000
Total DC Plans*: 45
Total DC Participants*: 22,000

MESSNER GROUP OF GRAYSTONE CONSULTING
morganstanleygc.com/themessnerconsulting-groupofgraystone/groupdetail.htm
Birmingham, MI
Year Est.: 1994

Total Advisors in Team: 4
Total DC Plan Assets*: $1,882,868,371
Total DC Plans*: 15
Total DC Participants*: 26,100

CAPTRUST AUSTIN
captrust.com
Austin, TX
Year Est.: 2010

Total Advisors in Team: 2
Total DC Plan Assets*: $1,856,867,563
Total DC Plans*: 28
Total DC Participants*: 36,100

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LAMCO ADVISORY SERVICES, INC.
lamcoadvisory.com
Lake Mary, FL
Year Est.: 1990

Total Advisors in Team: 5
Total DC Plan Assets*: $1,800,000,000
Total DC Plans*: 62
Total DC Participants*: 45,000

OSWALD FINANCIAL, INC.
oswaldfinancial.com
Cleveland, OH
Year Est.: 1999

Total Advisors in Team: 13
Total DC Plan Assets*: $1,800,000,000
Total DC Plans*: 255
Total DC Participants*: 55,000

TOWER CIRCLE ADVISORS OF JANNEY MONTGOMERY SCOTT
advisor.janney.com/glasgowwealthmanagementgroup/our-team
Franklin, TN
Year Est.: 2001

Total Advisors in Team: 3
Total DC Plan Assets*: $1,800,000,000
Total DC Plans*: 36
Total DC Participants*: 45,000

MONTGOMERY RETIREMENT PLAN ADVISORS, INC.
m-rpa.com
Tampa, FL
Year Est.: 2004

Total Advisors in Team: 4
Total DC Plan Assets*: $1,775,000,000
Total DC Plans*: 85
Total DC Participants*: 31,175

AFS 401(k) RETIREMENT SERVICES, LLC
afs401k.com
Bethesda, MD
Year Est.: 2006

Total Advisors in Team: 4
Total DC Plan Assets*: $1,750,000,000
Total DC Plans*: 70
Total DC Participants*: 16,500

WINTRUST RETIREMENT PLAN SERVICES
wintrustwealth.com/retirement-plan-services
Chicago, IL
Year Est.: 2012

Total Advisors in Team: 1
Total DC Plan Assets*: $1,750,000,000
Total DC Plans*: 165
Total DC Participants*: 42,000

CLEARVIEW ADVISORY –
MEMBER FIRM GRP ADVISOR ALLIANCE
clearviewadvisory.com
Atlanta, GA
Year Est.: 2001

Total Advisors in Team: 6
Total DC Plan Assets*: $1,700,000,000
Total DC Plans*: 80
Total DC Participants*: 60,000

MARCOTTE RETIREMENT PLANS
marcotteins.com
Omaha, NE
Year Est.: 2007

Total Advisors in Team: 4
Total DC Plan Assets*: $1,620,000,000
Total DC Plans*: 61
Total DC Participants*: 12,600

ABG OF MICHIGAN –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
abgmi.com/
Bingham Farms, MI
Year Est.: 1969

Total Advisors in Team: 5
Total DC Plan Assets*: $1,618,000,000
Total DC Plans*: 365
Total DC Participants*: 26,450

TRUERETIREMENT
MEMBER FIRM GRP ADVISOR ALLIANCE
trueretirement.com
Bellevue, WA
Year Est.: 1990

Total Advisors in Team: 5
Total DC Plan Assets*: $1,530,000,000
Total DC Plans*: 210
Total DC Participants*: 22,200

HB RETIREMENT –
MEMBER FIRM GRP ADVISOR ALLIANCE
hbretirement.com
Pittsburgh, PA
Year Est.: 2005

Total Advisors in Team: 8
Total DC Plan Assets*: $1,500,000,000
Total DC Plans*: 245
Total DC Participants*: 100,000

THE BEACON GROUP OF MORGAN STANLEY
a.morganstanley.com/thebeacongrp
Blue Bell, PA
Year Est.: 1997

Total Advisors in Team: 4
Total DC Plan Assets*: $1,500,000,000
Total DC Plans*: 110
Total DC Participants*: 15,000

THE KIECKHEFER GROUP
kieckhefergroup.com
Brookfield, WI
Year Est.: 1999

Total Advisors in Team: 3
Total DC Plan Assets*: $1,465,527,233
Total DC Plans*: 34
Total DC Participants*: 13,000

COMPERIO RETIREMENT CONSULTING, INC.
Comperiorc.com
Cary, NC
Year Est.: 2006

Total Advisors in Team: 4
Total DC Plan Assets*: $1,400,000,000
Total DC Plans*: 30
Total DC Participants*: 14,000

GRAYSTONE CONSULTING – ATLANTA
msgraystone.com/graystoneatlanta
Atlanta, GA
Year Est.: 1997

Total Advisors in Team: 3
Total DC Plan Assets*: $1,400,000,000
Total DC Plans*: 80
Total DC Participants*: 35,000

WASHINGTON FINANCIAL GROUP
washfinancial.com
McLean, VA
Year Est.: 1983

Total Advisors in Team: 6
Total DC Plan Assets*: $1,400,000,000
Total DC Plans*: 163
Total DC Participants*: 31,000

CHEPENIK FINANCIAL
chepenikfinancial.com
Orlando, FL
Year Est: 1973

Total Advisors in Team: 4
Total DC Plan Assets*: $1,350,000,000
Total DC Plans*: 87
Total DC Participants*: 88,000

STRATEGIC RETIREMENT PARTNERS – MIDWEST
srpretire.com
Urbandale, IA
Year Est: 1992

Total Advisors in Team: 1
Total DC Plan Assets*: $1,334,928,366
Total DC Plans*: 68
Total DC Participants*: 26,000

SEAPORT GROUP AT MORGAN STANLEY
morganstanley.com/institutional-wealth-services.html
Portland, OR
Year Est.: 2004

Total Advisors in Team: 1
Total DC Plan Assets*: $1,307,702,421
Total DC Plans*: 44
Total DC Participants*: 17,500

SHEPHERD FINANCIAL
shepherdfin.com
Carmel, IN
Year Est.: 2015

Total Advisors in Team: 3
Total DC Plan Assets*: $1,226,863,869
Total DC Plans*: 142
Total DC Participants*: 25,052

PARIS INTERNATIONAL
parisint.com
Great Neck, NY
Year Est.: 1970

Total Advisors in Team: 2
Total DC Plan Assets*: $1,200,000,000
Total DC Plans*: 200
Total DC Participants*: 100,000

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RMB CAPITAL
rmbcap.com
Chicago, IL
Year Est.: 2005

Total Advisors in Team: 3
Total DC Plan Assets*: $1,122,437,388
Total DC Plans*: 44
Total DC Participants*: 10,000

GRAYSTONE CONSULTING – CHARLESTON, WV
msgraystone.com/charleston
Charleston, WV
Year Est.: 2006

Total Advisors in Team: 6
Total DC Plan Assets*: $1,100,000,000
Total DC Plans*: 45
Total DC Participants*: 21,000

THE MAHONEY GROUP OF RAYMOND JAMES
mahoneygroupadvisors.com
West Nyack, NY
Year Est.: 1992

Total Advisors in Team: 5
Total DC Plan Assets*: $1,100,000,000
Total DC Plans*: 45
Total DC Participants*: 20,000

PEAK FINANCIAL GROUP, LLC
peakfinancialgroup.net
Houston, TX
Year Est.: 2002

Total Advisors in Team: 3
Total DC Plan Assets*: $1,098,136,818
Total DC Plans*: 73
Total DC Participants*: 20,000

BURNHAM GIBSON WEALTH ADVISORS, INC.
burnhamgibson.com
Irvine, CA
Year Est.: 2016

Total Advisors in Team: 10
Total DC Plan Assets*: $1,052,284,793
Total DC Plans*: 66
Total DC Participants*: 24,974

THREE BELL CAPITAL
three-bell.com
Los Altos, CA
Year Est.: 2011

Total Advisors in Team: 6
Total DC Plan Assets*: $1,050,000,000
Total DC Plans*: 170
Total DC Participants*: 16,000

GALLAGHER – OHIO TEAM
ajg.com/solutions/benefits-hr-consulting/retirement-plan-consulting/
Cleveland, OH
Year Est.: 1927

Total Advisors in Team: 5
Total DC Plan Assets*: $1,022,260,412
Total DC Plans*: 155
Total DC Participants*: 14,500

BENJAMIN & COMPANY, LLC
bencoadvisors.com
Philadelphia, PA
Year Est.: 2018

Total Advisors in Team: 3
Total DC Plan Assets*: $1,000,000,000
Total DC Plans*: 40
Total DC Participants*: 60,000

DESCHUTES INVESTMENT CONSULTING
deschutesinvestment.com
Portland, OR
Year Est.: 1998

Total Advisors in Team: 4
Total DC Plan Assets*: $1,000,000,000
Total DC Plans*: 105
Total DC Participants*: 20,000

STRATEGIC RETIREMENT PARTNERS – GREAT LAKES
srpretire.com
Shorewood, IL
Year Est.: 2004

Total Advisors in Team: 3
Total DC Plan Assets*: $1,000,000,000
Total DC Plans*: 100
Total DC Participants*: 16,500

THE KRAEMATON GROUP, INC.
kraematon.com
Wellesley, MA
Year Est.: 1982

Total Advisors in Team: 1
Total DC Plan Assets*: $1,000,000,000
Total DC Plans*: 47
Total DC Participants*: 12,340

CAPTRUST SANTA BARBARA
captrust.com
Santa Barbara, CA
Year Est.: 1988

Total Advisors in Team: 5
Total DC Plan Assets*: $982,323,663
Total DC Plans*: 55
Total DC Participants*: 21,000

CAPTRUST NEW YORK – DOWNTOWN
captrust.com
New York, NY
Year Est.: 2012

Total Advisors in Team: 1
Total DC Plan Assets*: $981,456,100
Total DC Plans*: 20
Total DC Participants*: 23,000

THE RATAY GROUP AT MORGAN STANLEY
morganstanleyfa.com/rataygroup/
Lisle, IL
Year Est.: 1992

Total Advisors in Team: 2
Total DC Plan Assets*: $980,000,000
Total DC Plans*: 35
Total DC Participants*: 6,000

THE CORBETT GEHLER GROUP
corbettgehlergroup.com
Madison WI
Year Est.: 2004

Total Advisors in Team: 2
Total DC Plan Assets*: $922,506,591
Total DC Plans*: 10
Total DC Participants*: 6,000

A.P. LUBRANO & COMPANY, INC.
aplubrano.com
Paoli, PA
Year Est.: 1989

Total Advisors in Team: 5
Total DC Plan Assets*: $904,000,000
Total DC Plans*: 31
Total DC Participants*: 60,000

TEROS ADVISORS
(FORMERLY SLW RETIREMENT PLAN ADVISORS)
terosadvisors.com
Lafayette, CA
Year Est.: 2007

Total Advisors in Team: 5
Total DC Plan Assets*: $856,000,000
Total DC Plans*: 108
Total DC Participants*: 17,000

401(k) PLAN PROFESSIONALS
401kplanprofessionals.com
Edina, MN
Year Est.: 2007

Total Advisors in Team: 3
Total DC Plan Assets*: $850,000,000
Total DC Plans*: 85
Total DC Participants*: 9,500

LAKESIDE WEALTH MANAGEMENT
lakesidewealth.com
Chesterton, IN
Year Est.: 2004

Total Advisors in Team: 20
Total DC Plan Assets*: $850,000,000
Total DC Plans*: 184
Total DC Participants*: 20,000

LAWLEY RETIREMENT
lawleyretirement.com
Buffalo, NY
Year Est.: 2011

Total Advisors in Team: 4
Total DC Plan Assets*: $840,000,000
Total DC Plans*: 125
Total DC Participants*: 20,000

ASSURANCE FINANCIAL SERVICES
assuranceagency.com/solutions/financial-services
Schaumburg, IL
Year Est.: 2016

Total Advisors in Team: 4
Total DC Plan Assets*: $825,000,000
Total DC Plans*: 118
Total DC Participants*: 17,000

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LMC FINANCIAL SERVICES
lmcfin.com
West Des Moines, IA
Year Est.: 1865

Total Advisors in Team: 4
Total DC Plan Assets*: $810,000,000
Total DC Plans*: 56
Total DC Participants*: 6,400

GRAYSTONE CONSULTING – CLEVELAND/PITTSBURGH
morganstanleygc.com/graystoneconsultingpitcle
Hudson, OH
Year Est.: 2013

Total Advisors in Team: 5
Total DC Plan Assets*: $800,000,000
Total DC Plans*: 64
Total DC Participants*: 15,000

RETIREMENT RESOURCES
RetireWithMore.com
Peabody, MA
Year Est.: 1995

Total Advisors in Team: 2
Total DC Plan Assets*: $795,000,000
Total DC Plans*: 32
Total DC Participants*: 14,000

RETIREMENT & BENEFIT PARTNERS –
MEMBER FIRM GRP ADVISOR ALLIANCE
rbpretire.com
Barrington, RI
Year Est.: 2017

Total Advisors in Team: 4
Total DC Plan Assets*: $794,897,276
Total DC Plans*: 56
Total DC Participants*: 12,982

PPS RETIREMENT ADVISORS –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
ppspensions.net
Williamsville, NY
Year Est.: 2017

Total Advisors in Team: 3
Total DC Plan Assets*: $765,000,000
Total DC Plans*: 275
Total DC Participants*: 14,000

COBIZ
cobizbank.com/business/retirement-planning/Pages/default.aspx
Denver, CO
Year Est.: 2010

Total Advisors in Team: 3
Total DC Plan Assets*: $750,000,000
Total DC Plans*: 70
Total DC Participants*: 14,000

ONEGROUP RETIREMENT ADVISORS
onegroupra.com
Syracuse, NY
Year Est.: 2018

Total Advisors in Team: 4
Total DC Plan Assets*: $750,000,000
Total DC Plans*: 112
Total DC Participants*: 6,500

SRP - WEST COAST
srpretire.com
Shorewood, IL
Year Est.: 2003

Total Advisors in Team: 3
Total DC Plan Assets*: $750,000,000
Total DC Plans*: 84
Total DC Participants*: 9,700

THE INSURANCE EXCHANGE RETIREMENT TEAM
tie-inc.com
Rockville, MD
Year Est.: 2000

Total Advisors in Team: 3
Total DC Plan Assets*: $750,000,000
Total DC Plans*: 95
Total DC Participants*: 12,000

ATLANTA RETIREMENT PARTNERS
atlantaretirementpartners.com
Atlanta, GA
Year Est.: 1998

Total Advisors in Team: 3
Total DC Plan Assets*: $741,000,000
Total DC Plans*: 91
Total DC Participants*: 11,000

VALLEY FORGE INVESTMENT CONSULTANTS, INC.
vffg.com
King of Prussia, PA
Year Est.: N/A

Total Advisors in Team: xx
Total DC Plan Assets*: $740,000,000
Total DC Plans*: 135
Total DC Participants*: 13,000

STRATEGIC RETIREMENT PARTNERS – NORTHERN CALIFORNIA
srpretire.com
Redwood City, CA
Year Est: 2003

Total Advisors in Team: 3
Total DC Plan Assets*: $736,308,335
Total DC Plans*: 87
Total DC Participants*: 20,000

JSL RETIREMENT SERVICES GROUP
jslretirement.com
Birmingham, AL
Year Est.: 2007

Total Advisors in Team: 3
Total DC Plan Assets*: $732,000,000
Total DC Plans*: 94
Total DC Participants*: 15,000

RSG ADVISOR -
MEMBER FIRM OF GRP ADVISOR ALLIANCE
rsgadvisory.net
Portsmouth, NH
Year Est.: 2005

Total Advisors in Team: 6
Total DC Plan Assets*: $694,000,000
Total DC Plans*: 180
Total DC Participants*: 9,901

THE ROULEAU BEVANS CORLETO INVESTMENT CONSULTING GROUP OF WELLS FARGO ADVISORS
rb-icg.com
Eugene, OR
Year Est.: 1999

Total Advisors in Team: 6
Total DC Plan Assets*: $670,000,000
Total DC Plans*: 103
Total DC Participants*: 11,000

STRATEGIC RETIREMENT PARTNERS – UPSTATE NY
srpretire.com
Buffalo, NY
Year Est: 1990

Total Advisors in Team: 2
Total DC Plan Assets*: $659,928,332
Total DC Plans*: 46
Total DC Participants*: 11,500

CCR WEALTH MANAGEMENT, LLC
ccrwealth.com
Westborough, MA
Year Est.: 1998

Total Advisors in Team: 3
Total DC Plan Assets*: $650,000,000
Total DC Plans*: 340
Total DC Participants*: 5,000

ISC ADVISORS, INC.
iscgroup.com
Dallas, TX
Year Est.: 1989

Total Advisors in Team: 6
Total DC Plan Assets*: $630,000,000
Total DC Plans*: 119
Total DC Participants*: 14,000

WOODRUFF-SAWYER & CO
wsandco.com
San Francisco, CA
Year Est.: N/A

Total Advisors in Team: 2
Total DC Plan Assets*: $630,000,000
Total DC Plans*: 54
Total DC Participants*: 10,000

FRS CAPITAL MANAGEMENT –
MEMBER FIRM GRP ADVISOR ALLIANCE
frscapital.com
King of Prussia, PA
Year Est.: 1984

Total Advisors in Team: 5
Total DC Plan Assets*: $625,000,000
Total DC Plans*: 135
Total DC Participants*: 24,000

VITA PLANNING GROUP
thevitacompanies.com
Mountain View, CA
Year Est.: 1979

Total Advisors in Team: 3
Total DC Plan Assets*: $607,464,674
Total DC Plans*: 72
Total DC Participants*: 9,327

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ELLISON KIBLER & ASSOCIATES
fa.ml.com/ek
Columbia, SC
Year Est.: 1983

Total Advisors in Team: 6
Total DC Plan Assets*: $600,274,696
Total DC Plans*: 70
Total DC Participants*: 11,795

LHD RETIREMENT
lhdretirement.com
Indianapolis, IN
Year Est.: 2004

Total Advisors in Team: 2
Total DC Plan Assets*: $600,000,000
Total DC Plans*: 100
Total DC Participants*: 10,000

SILICON VALLEY RETIREMENT SERVICES
svretirementservices.com
San Jose, CA
Year Est.: 2010

Total Advisors in Team: 2
Total DC Plan Assets*: $600,000,000
Total DC Plans*: 53
Total DC Participants*: 12,500

BLUEWAY FINANCIAL PARTNERS OF RAYMOND JAMES
bluewayfinancial.com
Grand Rapids, MI
Year Est.: 2011

Total Advisors in Team: 2
Total DC Plan Assets*: $585,000,000
Total DC Plans*: 7
Total DC Participants*: 5,500

RETIREMENT PLAN CONSULTANTS –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
rpcslc.com
Salt Lake City, UT
Year Est.: 2003

Total Advisors in Team: 1
Total DC Plan Assets*: $583,350,000
Total DC Plans*: 36
Total DC Participants*: 15,000

CFS INVESTMENT ADVISORY SERVICES, L.L.C.
cfsias.com
Totowa, NJ
Year Est.: 1993

Total Advisors in Team: 2
Total DC Plan Assets*: $575,000,000
Total DC Plans*: 115
Total DC Participants*: 5,000

THE BEARING GROUP
fa.morganstanley.com/thebearinggroup/index.htm
Chicago, IL
Year Est.: 1992

Total Advisors in Team: 4
Total DC Plan Assets*: $568,000,000
Total DC Plans*: 38
Total DC Participants*: 11,000

INFINITAS COORDINATED WEALTH COUNSEL
infinitaskc.com
Overland Park, KS
Year Est.: 1990

Total Advisors in Team: 17
Total DC Plan Assets*: $566,883,000
Total DC Plans*: 127
Total DC Participants*: 10,698

DOUGLAS R. PEETE & ASSOCIATES
peete.com
Overland Park, KS
Year Est.: 1980

Total Advisors in Team: 1
Total DC Plan Assets*: $550,000,000
Total DC Plans*: 126
Total DC Participants*: 5,164

EPIC RETIREMENT SERVICES CONSULTING, LLC
epicretirellc.com
New York, NY
Year Est.: 1999

Total Advisors in Team: 2
Total DC Plan Assets*: $550,000,000
Total DC Plans*: 50
Total DC Participants*: 8,500

FLYNN BENEFITS GROUP
flynnbenefits.com
Troy, MI
Year Est.: 2005

Total Advisors in Team: 4
Total DC Plan Assets*: $550,000,000
Total DC Plans*: 27
Total DC Participants*: 4,800

QUINTES
quintes.com
Salinas, CA
Year Est.: 1986

Total Advisors in Team: 3
Total DC Plan Assets*: $550,000,000
Total DC Plans*: 350
Total DC Participants*: 15,000

RCM&D RETIREMENT SERVICES
rcmd.com
Towson MD
Year Est.: 2008

Total Advisors in Team: 3
Total DC Plan Assets*: $550,000,000
Total DC Plans*: 35
Total DC Participants*: 3,000

CSG CAPITAL PARTNERS OF JANNEY MONTGOMERY SCOTT
csgcapitalpartners.com
Washington, DC
Year Est.: 2002

Total Advisors in Team: 5
Total DC Plan Assets*: $545,000,000
Total DC Plans*: 43
Total DC Participants*: 11,500

RTD FINANCIAL
rtdfinancial.com
Philadelphia, PA
Year Est.: 1983

Total Advisors in Team: 18
Total DC Plan Assets*: $541,051,491
Total DC Plans*: 10
Total DC Participants*: 5,799

VISIONPOINT
vpadvisor.com
Dallas, TX
Year Est.: 2013

Total Advisors in Team: 4
Total DC Plan Assets*: $530,000,000
Total DC Plans*: 70
Total DC Participants*: 50,000

CSI ADVISORY SERVICES –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
csiadvisoryservices.com/
Indianapolis, IN
Year Est.: 1971

Total Advisors in Team: 3
Total DC Plan Assets*: $525,000,000
Total DC Plans*: 225
Total DC Participants*: 17,000

THE CLIFT GROUP
fa.morganstanley.com/thecliftgroup/index.htm
Dallas, TX
Year Est.: 1985

Total Advisors in Team: 3
Total DC Plan Assets*: $525,000,000
Total DC Plans*: 20
Total DC Participants*: 28,000

CAPTRUST HOUSTON
captrust.com
Houston, TX
Year Est.: 2009

Total Advisors in Team: 2
Total DC Plan Assets*: $513,296,858
Total DC Plans*: 21
Total DC Participants*: 10,000

HAYS FINANCIAL
hayscompanies.com
Minneapolis, MN
Year Est.: 1994

Total Advisors in Team: 4
Total DC Plan Assets*: $510,000,000
Total DC Plans*: 26
Total DC Participants*: 2,700

STARK MILLER FINANCIAL BENEFITS GROUP
starkmillerfbg.com
Lafayette, CA
Year Est.: 1967

Total Advisors in Team: 3
Total DC Plan Assets*: $503,000,000
Total DC Plans*: 94
Total DC Participants*: 11,500

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RAFFA RETIREMENT SERVICES – MEMBER FIRM GRP ADVISOR ALLIANCE
raffaretirement.com
Rockville, MD
Year Est.: 1999

Total Advisors in Team: 4
Total DC Plan Assets*: $500,000,000
Total DC Plans*: 164
Total DC Participants*: 5,700

THE HORTON TEAM
fa.ml.com/tht
Hartford, CT
Year Est.: N/A

Total Advisors in Team: 3
Total DC Plan Assets*: $500,000,000
Total DC Plans*: 65
Total DC Participants*: 20,000

THE SCHWAMB O'DAY GROUP
morganstanleyfa.com/theschwambodaygroup
Garden City, NY
Year Est.: 2010

Total Advisors in Team: 5
Total DC Plan Assets*: $500,000,000
Total DC Plans*: 175
Total DC Participants*: 30,000

ONEDIGITAL RETIREMENT PARTNERS
onedigitalrp.com
Nashville, TN
Year Est.: 2007

Total Advisors in Team: 1
Total DC Plan Assets*: $490,000,000
Total DC Plans*: 28
Total DC Participants*: 7,100

RDH INVESTMENT GROUP
rdhinvestmentgroup.com
Spokane Valley, WA
Year Est.: 2011

Total Advisors in Team: 5
Total DC Plan Assets*: $484,724,243
Total DC Plans*: 34
Total DC Participants*: 8,000

ABBEY STREET
abbeystreet.com
Eden Prairie, MN
Year Est.: 2018

Total Advisors in Team: 1
Total DC Plan Assets*: $475,000,000
Total DC Plans*: 45
Total DC Participants*: 9,200

TRUTINA FINANCIAL
trutinafinancial.com
Bellevue, WA
Year Est.: 2005

Total Advisors in Team: 6
Total DC Plan Assets*: $465,000,000
Total DC Plans*: 125
Total DC Participants*: 10,000

GERINGER LAUB WEALTH MANAGEMENT GROUP
fa.ml.com/geringerandlaub
Wichita, KS
Year Est.: 1983

Total Advisors in Team: 7
Total DC Plan Assets*: $450,000,000
Total DC Plans*: 53
Total DC Participants*: 8,000

MIDATLANTIC RETIREMENT PLANNING SPECIALISTS
maretirementps.com
Wilmington, DE
Year Est.: 1998

Total Advisors in Team: 3
Total DC Plan Assets*: $450,000,000
Total DC Plans*: 135
Total DC Participants*: 10,000

CAPTRUST GREENWICH
captrust.com
Greenwich, CT
Year Est.: 2013

Total Advisors in Team: 2
Total DC Plan Assets*: $448,350,451
Total DC Plans*: 8
Total DC Participants*: 4,500

KIDDER ADVISERS, LLC
kidderadvisers.com
West Des Moines, IA
Year Est.: 1996

Total Advisors in Team: 6
Total DC Plan Assets*: $440,000,000
Total DC Plans*: 149
Total DC Participants*: 5,200

LATUS GROUP, LTD.
latus-group.com
Las Vegas, NV
Year Est.: 2009

Total Advisors in Team: 3
Total DC Plan Assets*: $432,000,000
Total DC Plans*: 62
Total DC Participants*: 15,112

CAPTRUST NEW YORK – PORT WASHINGTON
captrust.com
Port Washington, NY
Year Est.: 2007

Total Advisors in Team: 1
Total DC Plan Assets*: $429,041,042
Total DC Plans*: 10
Total DC Participants*: 16,000

THE HF RETIREMENT GROUP OF WELLS FARGO ADVISORS
thehfgroup.wfadv.com
Los Angeles, CA
Year Est.: 2006

Total Advisors in Team: 2
Total DC Plan Assets*: $425,000,000
Total DC Plans*: 65
Total DC Participants*: 10,000

EVERGREEN CONSULTING, INC.
evergreenci.com
Chattanooga, TN
Year Est.: 1990

Total Advisors in Team: 13
Total DC Plan Assets*: $417,000,000
Total DC Plans*: 47
Total DC Participants*: 40,000

EUKLES WEALTH MANAGEMENT
eukleswm.com
Cincinnati, OH
Year Est.: 2011

Total Advisors in Team: 5
Total DC Plan Assets*: $400,966,182
Total DC Plans*: 40
Total DC Participants*: 7,337

THE BRICE GROUP
msgraystone.com/thebricegroup
Birmingham, MI
Year Est.: 1967

Total Advisors in Team: 4
Total DC Plan Assets*: $400,900,000
Total DC Plans*: 29
Total DC Participants*: 7,300

CAPITAL BENEFITS, LLC
capitalbenefitsinc.com
Fairfield, NJ
Year Est.: 2003

Total Advisors in Team: 3
Total DC Plan Assets*: $400,000,000
Total DC Plans*: 78
Total DC Participants*: 3,500

JKJ RETIREMENT SERVICES
jkj.com
Newtown, PA
Year Est.: 1934

Total Advisors in Team: 1
Total DC Plan Assets*: $400,000,000
Total DC Plans*: 51
Total DC Participants*: 3,800

PWMG 401(k) ADVISORS
pwmg401k.com
Worcester, MA
Year Est.: 2001

Total Advisors in Team: 5
Total DC Plan Assets*: $400,000,000
Total DC Plans*: 380
Total DC Participants*: 5,000

TREASURY PARTNERS
treasurypartners.com/services/forcorporateretirementplans
New York, NY
Year Est.: 1983

Total Advisors in Team: 7
Total DC Plan Assets*: $400,000,000
Total DC Plans*: 23
Total DC Participants*: 8,000

** As of 12/31/17*

THE EWS GROUP AT MORGAN STANLEY
morganstanleyfa.com/theewsgroup
Rochester, NY
Year Est.: 2014

Total Advisors in Team: 3
Total DC Plan Assets*: $394,000,000
Total DC Plans*: 29
Total DC Participants*: 5,728

STRATEGIC RETIREMENT PARTNERS – MID ATLANTIC
srpretire.com
Williamsburg, VA
Year Est: 1988

Total Advisors in Team: 1
Total DC Plan Assets*: $371,970,085
Total DC Plans*: 39
Total DC Participants*: 8,500

MY 360 WEALTH MANAGEMENT GROUP
my360wealth.com/
Glendale, CA
Year Est.: 2008

Total Advisors in Team: 3
Total DC Plan Assets*: $370,000,000
Total DC Plans*: 48
Total DC Participants*: 1,000

HILB GROUP RETIREMENT SERVICES
hilbgroup401k.com
Warwick, RI
Year Est.: 2009

Total Advisors in Team: 2
Total DC Plan Assets*: $356,937,178
Total DC Plans*: 150
Total DC Participants*: 7,200

FORRESTER WEALTH ADVISORS
forresterwealthadvisors.com
Washington, DC
Year Est.: 2001

Total Advisors in Team: 2
Total DC Plan Assets*: $355,000,000
Total DC Plans*: 28
Total DC Participants*: 4,800

GOUDIN & MCCARTHY, LLC
gouldinmccarthy.com
Basking Ridge, NJ
Year Est.: 1999

Total Advisors in Team: 4
Total DC Plan Assets*: $350,000,000
Total DC Plans*: 36
Total DC Participants*: 3,250

WESTGATE CAPITAL CONSULTANTS
westgatecapital.com
Tacoma, WA
Year Est.: 1988

Total Advisors in Team: 3
Total DC Plan Assets*: $350,000,000
Total DC Plans*: 100
Total DC Participants*: 5,500

THE TRC GROUP AT MORGAN STANLEY
fa.morganstanley.com/thetrcgroup
San Diego, CA
Year Est.: 2003

Total Advisors in Team: 2
Total DC Plan Assets*: $346,000,000
Total DC Plans*: 87
Total DC Participants*: 3,500

HORIZON FINANCIAL GROUP
horizonfg.com
Baton Rouge, LA
Year Est.: 1999

Total Advisors in Team: 3
Total DC Plan Assets*: $344,570,000
Total DC Plans*: 58
Total DC Participants*: 5,000

THE BST GROUP
morganstanleyfa.com/bstgroup
Middleton, MA
Year Est.: N/A

Total Advisors in Team: 3
Total DC Plan Assets*: $340,000,000
Total DC Plans*: 90
Total DC Participants*: 5,000

DIVERSIFIED FINANCIAL ADVISORS, LLC
diversifiedfa.com
Town And Country, MO
Year Est.: 1989

Total Advisors in Team: 4
Total DC Plan Assets*: $335,000,000
Total DC Plans*: 130
Total DC Participants*: 3,750

THE CAVES – WIESE GROUP
fa.morganstanley.com/thecaveswiesegroup/index.htm
Los Angeles, CA
Year Est.: 2012

Total Advisors in Team: 2
Total DC Plan Assets*: $330,000,000
Total DC Plans*: 58
Total DC Participants*: 10,500

M3 FINANCIAL
m3ins.com/for-businesses/m3-financial/employer-sponsored-retirement-plans
Madison, WI
Year Est.: 2010

Total Advisors in Team: 4
Total DC Plan Assets*: $328,000,000
Total DC Plans*: 84
Total DC Participants*: 7,100

EMMETT G. DUPAS III – NORTHWESTERN MUTUAL
emmettdupasiii.com
Metairie, LA
Year Est.: 2003

Total Advisors in Team: 1
Total DC Plan Assets*: $325,720,182
Total DC Plans*: 120
Total DC Participants*: 7,200

MCLAUGHLIN ASSET MANAGEMENT
mclaughlinassetmgmt.com
Haddonfield, NJ
Year Est.: 2011

Total Advisors in Team: 3
Total DC Plan Assets*: $325,000,000
Total DC Plans*: 35
Total DC Participants*: 2,540

RETIREMENT PLAN SOLUTIONS –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
rplansolutions.com
San Ramon, CA
Year Est.: 1991

Total Advisors in Team: 2
Total DC Plan Assets*: $320,000,000
Total DC Plans*: 125
Total DC Participants*: 3,750

SUMMIT FINANCIAL GROUP, INC.
yoursummit.com
Dallas, TX
Year Est.: 1988

Total Advisors in Team: 7
Total DC Plan Assets*: $315,000,000
Total DC Plans*: 85
Total DC Participants*: 6,000

FISHER INVESTMENTS 401(k) SOLUTIONS
fisher401k.com
Camas, WA
Year Est.: 2014

Total Advisors in Team: 18
Total DC Plan Assets*: $311,000,000
Total DC Plans*: 145
Total DC Participants*: 6,304

BOSTON PARTNERS FINANCIAL GROUP, LLC
bostonpartnersfinancialgroup.com
Andover, MA
Year Est.: 1995

Total Advisors in Team: 3
Total DC Plan Assets*: $307,440,000
Total DC Plans*: 49
Total DC Participants*: 11,000

401(k) ADVISORS ARIZONA –
MEMBER FIRM GRP ADVISOR ALLIANCE
401kadvisorsarizona.com
Phoenix, AZ
Year Est.: 1987

Total Advisors in Team: 3
Total DC Plan Assets*: $300,000,000
Total DC Plans*: 29
Total DC Participants*: 14,000

STRATEGIC RETIREMENT PARTNERS – DALLAS
srpretire.com
Sherman, TX
Year Est: 2003

Total Advisors in Team: 1
Total DC Plan Assets*: $300,000,000
Total DC Plans*: 9
Total DC Participants*: 360

** As of 12/31/17*

THE FORTIS GROUP AT MORGAN STANLEY
fa.morganstanley.com/fortis
Columbus, OH
Year Est.: 2015

Total Advisors in Team: 5
Total DC Plan Assets*: $300,000,000
Total DC Plans*: 20
Total DC Participants*: 600

STRATEGIC RETIREMENT PARTNERS – TWIN CITIES
srpretire.com
Prior Lake, MN
Year Est: 1996

Total Advisors in Team: 1
Total DC Plan Assets*: $287,505,619
Total DC Plans*: 54
Total DC Participants*: 12,500

TSUKAZAKI & ASSOCIATES, LLC
tsukazaki-associates.com
Honolulu, HI
Year Est.: 2004

Total Advisors in Team: 4
Total DC Plan Assets*: $280,000,000x
Total DC Plans*: 90
Total DC Participants*: 5,000

RETIREMENT PLAN CONSULTANTS, THE PHILADELPHIA GROUP
thephiladelphiagroup.com
King of Prussia, PA
Year Est.: 2002

Total Advisors in Team: 5
Total DC Plan Assets*: $275,613,000
Total DC Plans*: 58
Total DC Participants*: 4,371

INSIGHT FINANCIAL PARTNERS, LLC
insightfpllc.com
Lakewood, IL
Year Est.: 2017

Total Advisors in Team: 2
Total DC Plan Assets*: $274,892,105
Total DC Plans*: 23
Total DC Participants*: 13,171

ACHIEVE RETIREMENT –
MEMBER FIRM OF GRP ADVISOR ALLIANCE
achieveretirement.com/
Denver, CO
Year Est.: 2004

Total Advisors in Team: 4
Total DC Plan Assets*: $270,000,000
Total DC Plans*: 150
Total DC Participants*: 7,000

CONNOR & GALLAGHER ONESOURCE
gocgo.com
Lisle, IL
Year Est: 2016

Total Advisors in Team: 3
Total DC Plan Assets*: $265,000,000
Total DC Plans*: 50
Total DC Participants*: 11,000

EXCELSIOR WEALTH MANAGEMENT
fa.morganstanley.com/excelsiorwealthmanagement/index.htm
New York, NY
Year Est.: 1997

Total Advisors in Team: 3
Total DC Plan Assets*: $261,387,520
Total DC Plans*: 26
Total DC Participants*: 4,148

STRATEGIC RETIREMENT PARTNERS – CENTRAL FLORIDA
srpretire.com
Maitland, FL
Year Est: 1996

Total Advisors in Team: 1
Total DC Plan Assets*: $258,366,084
Total DC Plans*: 40
Total DC Participants*: 5,000

THE J.K. MEEK GROUP AT GRAYSTONE CONSULTING
morganstanleygc.com/jkmeekgroup
Baltimore, MD
Year Est.: 1990

Total Advisors in Team: 5
Total DC Plan Assets*: $257,615,403
Total DC Plans*: 12
Total DC Participants*: 6,016

MERIDIAN WEALTH PARTNERS
meridianwealthpartners.com
Blue Bell, PA
Year Est.: 2014

Total Advisors in Team: 3
Total DC Plan Assets*: $255,481,186
Total DC Plans*: 65
Total DC Participants*: 2,500

QP CONSULTING, LLC
qp-consulting.com
Takoma Park, MD
Year Est.: 2002

Total Advisors in Team: 1
Total DC Plan Assets*: $245,811,000
Total DC Plans*: 39
Total DC Participants*: 2,500

AURUM WEALTH MANAGEMENT GROUP
aurumwealth.com
Mayfield Village, OH
Year Est.: 2014/2006

Total Advisors in Team: 6
Total DC Plan Assets*: $245,000,000
Total DC Plans*: 67
Total DC Participants*: 5,500

TRUST COMPANY OF ILLINOIS
tcwealthpartners.com
Downers Grove, IL
Year Est.: 1993

Total Advisors in Team: 3
Total DC Plan Assets*: $240,000,000
Total DC Plans*: 80
Total DC Participants*: 4,000

THE RADCLIFF-SCHATZMAN GROUP AT MORGAN STANLEY
morganstanleyfa.com/theradcliffgroup
Mobile, AL
Year Est.: 2010

Total Advisors in Team: 4
Total DC Plan Assets*: $230,000,000
Total DC Plans*: 40
Total DC Participants*: 20,000

SIEGEL, MARTIN & ASSOCIATES
fa.ml.com/siegelmartin_associates
Washington, DC
Year Est.: 2006

Total Advisors in Team: 4
Total DC Plan Assets*: $225,000,000
Total DC Plans*: 102
Total DC Participants*: 5,000

MANHATTAN RIDGE ADVISORS
manhattanridge.com
New York, NY
Year Est.: 2006

Total Advisors in Team: 3
Total DC Plan Assets*: $220,000,000
Total DC Plans*: 61
Total DC Participants*: 1,925

STRATEGIC FINANCIAL SERVICES –
MEMBER FIRM GRP ADVISOR ALLIANCE
investstrategic.com
Utica, NY
Year Est.: 1979

Total Advisors in Team: 10
Total DC Plan Assets*: $204,000,000
Total DC Plans*: 42
Total DC Participants*: 2,700

AMCORP
amcorpinc.com
San Antonio, TX
Year Est.: 1981

Total Advisors in Team: 8
Total DC Plan Assets*: $200,000,000
Total DC Plans*: 40
Total DC Participants*: 7,000

BLUEPRINT FINANCIAL CORPORATION
blueprint1.net
Cleveland, OH
Year Est.: 2007

Total Advisors in Team: 2
Total DC Plan Assets*: $200,000,000
Total DC Plans*: 15
Total DC Participants*: 3,400

BELTZ IANNI & ASSOCIATES, LLC
beltz-ianni.com
Rochester, NY
Year Est.: 2001

Total Advisors in Team: 13
Total DC Plan Assets*: $190,967,960
Total DC Plans*: 77
Total DC Participants*: 3,814

** As of 12/31/17*

WESTLAKE, GRAHL, AND GLOVER
ameripriseadvisors.com/team/westlake-grahl-and-glover
Granite Bay, CA
Year Est.: 2000

Total Advisors in Team: 13
Total DC Plan Assets*: $190,000,000
Total DC Plans*: 55
Total DC Participants*: 2,200

STRATEGIC RETIREMENT PARTNERS – OKLAHOMA
srpretire.com
Tulsa, OK
Year Est: 1990

Total Advisors in Team: 1
Total DC Plan Assets*: $189,652,289
Total DC Plans*: 24
Total DC Participants*: 5,000

STRATEGIC RETIREMENT PARTNERS – MARYLAND
srpretire.com
Annapolis, MD
Year Est: 1991

Total Advisors in Team: 1
Total DC Plan Assets*: $172,535,181
Total DC Plans*: 29
Total DC Participants*: 3,000

EIDLIN KILMER & ASSOCIATES
fa.ml.com/new-york/pittsford/eidlin_kilmer
Pittsford, NY
Year Est.: 1998

Total Advisors in Team: 5
Total DC Plan Assets*: $167,115,268
Total DC Plans*: 45
Total DC Participants*: 2,600

GRINKMEYER LEONARD FINANCIAL
grinkmeyerleonard.com
Birmingham, AL
Year Est.: 2007

Total Advisors in Team: 4
Total DC Plan Assets*: $165,000,000
Total DC Plans*: 22
Total DC Participants*: 5,800

KELLEY FINANCIAL SERVICES, INC.
kelleyias.com
Omaha, NE
Year Est.: N/A

Total Advisors in Team: 1
Total DC Plan Assets*: $165,000,000
Total DC Plans*: 28
Total DC Participants*: 2,947

JBARA AND ROGERS FINANCIAL MANAGEMENT GROUP AT MORGAN STANLEY
fa.morganstanley.com/jbaraandrogers
Farmington Hills, MI
Year Est.: 1984

Total Advisors in Team: 3
Total DC Plan Assets*: $160,000,000
Total DC Plans*: 22
Total DC Participants*: 1,500

N W KAYE PRIVATE INVESTMENT MANAGEMENT LLC
nwkayepim.com
New Orleans, LA
Year Est.: 2016

Total Advisors in Team: 5
Total DC Plan Assets*: $160,000,000
Total DC Plans*: 2
Total DC Participants*: 2,700

EMPLOYEE BENEFIT DESIGNS
myebdbenefits.com
Springfield, MO
Year Est.: 1997

Total Advisors in Team: 8
Total DC Plan Assets*: $159,000,000
Total DC Plans*: 43
Total DC Participants*: 3,000

GARCIA WEALTH MANAGEMENT GROUP
garciawealth.com
Templeton, CA
Year Est.: 1999

Total Advisors in Team: 4
Total DC Plan Assets*: $155,000,000
Total DC Plans*: 70
Total DC Participants*: 3,000

MATSOCK & ASSOCIATES – MEMBER FIRM OF GRP ADVISOR ALLIANCE
matsock.com
Phoenix, AZ
Year Est.: 2003

Total Advisors in Team: 1
Total DC Plan Assets*: $150,000,000
Total DC Plans*: 45
Total DC Participants*: 1,500

LINCOLN INSURANCE SERVICES – MEMBER OF GRP ADVISOR ALLIANCE
lincolnins.com
Walnut Creek, CA
Year Est.: 1986

Total Advisors in Team: 2
Total DC Plan Assets*: $143,000,000
Total DC Plans*: 60
Total DC Participants*: 102,000,000

THE BURNS / MARCHIANO GROUP AT MORGAN STANLEY
fa.morganstanley.com/burnsmarchiano
Morristown, NJ
Year Est.: 2010

Total Advisors in Team: 4
Total DC Plan Assets*: $130,000,000
Total DC Plans*: 40
Total DC Participants*: 2,500

CENTURA ADVISORS
centura-advisors.com
Baton Rouge, LA
Year Est.: N/A

Total Advisors in Team: xx
Total DC Plan Assets*: $125,000,000
Total DC Plans*: 80
Total DC Participants*: 2,000

KIRBY WEALTH MANAGEMENT GROUP
justin-kirby.com
Champaign, IL
Year Est.: 1995

Total Advisors in Team: 1
Total DC Plan Assets*: $125,000,000
Total DC Plans*: 60
Total DC Participants*: 3,000

FIDUCIARY WEALTH MANAGEMENT, LLC
fidwealthman.com
Alexandria, VA
Year Est.: 2010

Total Advisors in Team: 2
Total DC Plan Assets*: $124,128,897
Total DC Plans*: 68
Total DC Participants*: 2,618

STRATEGIC RETIREMENT PARTNERS – ROCKY MOUNTAINS
srpretire.com
Littleton, CO
Year Est: 1997

Total Advisors in Team: 1
Total DC Plan Assets*: $119,818,748
Total DC Plans*: 27
Total DC Participants*: 3,500

ALTUS CONSULTING GROUP
altuscg.com
The Woodlands, TX
Year Est.: 2003

Total Advisors in Team: 1
Total DC Plan Assets*: $116,000,000
Total DC Plans*: 82
Total DC Participants*: 7,500

ALPHA CAPITAL MANAGEMENT GROUP
alphacmg.com
Centennial, CO
Year Est.: 2015

Total Advisors in Team: 2
Total DC Plan Assets*: $115,000,000
Total DC Plans*: 245
Total DC Participants*: 3,500

INVESTORS BROKERAGE OF TEXAS, LTD.
investorsbrokerage.com
Waco, TX
Year Est.: N/A

Total Advisors in Team: N/A
Total DC Plan Assets*: $115,000,000
Total DC Plans*: 40
Total DC Participants*: 3,500

SUMMIT GROUP RETIREMENT PLANNERS, INC.
sgretirementplanners.com
Exton, PA
Year Est.: 2013

Total Advisors in Team: 2
Total DC Plan Assets*: $110,000,000
Total DC Plans*: 45
Total DC Participants*: 4,000

** As of 12/31/17*

S.C. ASSET ADVISORS
scassetadvisorsjanney.com
Columbia, SC
Year Est.: 2003

Total Advisors in Team: 2
Total DC Plan Assets*: $105,963,718
Total DC Plans*: 20
Total DC Participants*: 1,574

PERRONE WEALTH MANAGEMENT GROUP
Louisville, KY
http://www.morganstanleyFA.com/perrone-wealthmanagement
Year Est.: 1993

Total Advisors in Team: 4
Total DC Plan Assets*: $101,800,000
Total DC Plans*: 34
Total DC Participants*: 1,800

ARCHFORD CAPITAL STRATEGIES, LLC
archfordcapital.com
Swansea, IL
Year Est.: 2013

Total Advisors in Team: 6
Total DC Plan Assets*: $100,868,187
Total DC Plans*: 47
Total DC Participants*: 2,601

FINANCIAL TECHNOLOGY
financialtec.com
East Lansing, MI
Year Est.: 1980

Total Advisors in Team: 5
Total DC Plan Assets*: $100,000,000
Total DC Plans*: 70
Total DC Participants*: 1,000

STRATEGIC RETIREMENT PARTNERS – MICHIGAN
srpretire.com
Northville, MI
Year Est: 1996

Total Advisors in Team: 1
Total DC Plan Assets*: $100,000,000
Total DC Plans*: 18
Total DC Participants*: 2,000

** As of 12/31/17*

LIGHTSPRING / SHUTTERSTOCK.COM

NAPA'S INDUSTRY LISTS

NAPA'S UNIQUE LISTS HIGHLIGHT FOUR CRITICAL ELEMENTS OF THE RETIREMENT INDUSTRY:

"Wingmen," listing the DC industry's top wholesalers, "Young Guns," our list of the top plan advisors under 40, our Top DC Advisor Teams and NAPA's Top Women Advisors.

One of the things that sets these lists apart from other published lists is that they are based on a nominating/voting/selection process that taps the knowledge of NAPA's 10,000+ members. Look for more information about the upcoming editions of all four lists on the NAPA Net portal and in the *NAPA Net Daily*.

Where is the next generation of plan advisors coming from?

To answer that question, NAPA set out to find the top young advisors — the profession's "Young Guns." The result of was our list of the "Top Retirement Plan Advisors Under 40," first published in 2014.

In what has long been a male-dominated profession, a growing number of women are today making significant contributions to this field. In 2015, the editorial team here committed to an acknowledgment of those contributions with the launch of the NAPA's Top Women Advisors.

Sure, we know it's not just about the numbers – but the reality is that advisors are having a huge impact every single day, not only on the quality of retirement plan advice, but in building a more financially secure retirement for millions of Americans.

NAPA's Top DC Advisor Teams acknowledges the advisor teams that are responsible for at least $100 million in defined contribution plan assets.

Only plan advisors know how important their DC wholesaler can be in building, managing and growing their practice. We call them "DC Wingmen" because if they are doing their job, they have your back.

And only advisors know which Wingmen are really good and truly add value.

That's why NAPA set out to identify the top wholesalers who serve the DC market — the truly elite Wingmen. Our first annual Top DC Wholesalers list, published in March 2014, quickly became an industry staple.

You can find our lists online at **napa-net.org**, under the "Industry Lists" tab.

QUESTIONS ABOUT THE PROCESS, TIMING, OR ELIGIBILITY FOR THE LISTS SHOULD BE DIRECTED TO NEVIN ADAMS AT **NEVIN.ADAMS@USARETIREMENT.ORG**.

NAPA
National Association of Plan Advisors
Part of the American Retirement Association

TOP DC ADVISOR MULTIOFFICE

RPAG
rpag.com
Aliso Viejo, CA
Year Est.: 2004

Number of offices: 450
Total DC Plan Assets*: $382,598,260,333
Total DC Plans*: 36,872
Total DC Participants*: 4,070,194

GRP ADVISOR ALLIANCE
grpaa.com
Carlsbad, CA
Year Est.: 2015

Number of offices: 124
Total DC Plan Assets*: $232,000,000,000
Total DC Plans*: 28,000
Total DC Participants*: 3,600,000

CAPTRUST
captrust.com
Raleigh, NC
Year Est.: 1997

Number of offices: 36
Total DC Plan Assets*: $203,720,207,284
Total DC Plans*: 2,078
Total DC Participants*: 5,000,000

NFP
nfp.com
Aliso Viejo, CA
Year Est.: 2001

Number of offices: 25
Total DC Plan Assets*: $135,000,000,000
Total DC Plans*: 1,391
Total DC Participants*: 1,400,000

MORGAN STANLEY
Morganstanley.com
Purchase, NY
Year Est.: 1935

Number of offices: 187
Total DC Plan Assets*: $129,000,000,000
Total DC Plans*: 23,000
Total DC Participants*: 3,200,000

UBS
ubs.com/rpcs
Weehawken, NJ
Year Est.: 1862

Number of offices: 297 (U.S.)
Total DC Plan Assets*: $112,119,740,791
Total DC Plans*: 12,745
Total DC Participants*: 2,100,000

CAMMACK RETIREMENT GROUP
cammackretirement.com
Wellesley, MA
Year Est.: 1965

Number of offices: 3
Total DC Plan Assets*: $104,000,000,000
Total DC Plans*: 160
Total DC Participants*: 850,000

SAGEVIEW ADVISORY GROUP
sageviewadvisory.com
Irvine, CA
Year Est.: 1989

Number of offices: 24
Total DC Plan Assets*: $88,000,000,000
Total DC Plans*: 1,023
Total DC Participants*: 650,000

WELLS FARGO ADVISORS
wellsfargoadvisors.com
St. Louis, MO
Year Est.: 1852

Number of offices: N/A
Total DC Plan Assets*: $85,161,145,056
Total DC Plans*: 47,012
Total DC Participants*: N/A

INDEPENDENT FINANCIAL PARTNERS
ifpartners.com
Tampa, FL
Year Est.: 2000

Number of offices: 97
Total DC Plan Assets*: $41,440,000,000
Total DC Plans*: 1,640
Total DC Participants*: 400,000

PENSIONMARK FINANCIAL GROUP, LLC
pensionmark.com
Santa Barbara, CA
Year Est.: 1988

Number of offices: 52
Total DC Plan Assets*: $32,000,000,000
Total DC Plans*: 2,500
Total DC Participants*: 375,000

GALLAGHER RETIREMENT PLAN CONSULTING PRACTICE
ajg.com
Rolling Meadows, IL
Year Est.: 1927

Number of offices: 41
Total DC Plan Assets*: $30,730,107,262
Total DC Plans*: 1,367
Total DC Participants*: 607,613

CETERA FINANCIAL GROUP
cetera.com
El Segundo, CA

Number of offices: N/A
Total DC Plan Assets*: $28,500,000,000
Total DC Plans*: 13,750
Total DC Participants*: unknown

COMMONWEALTH FINANCIAL NETWORK
commonwealth.com
Waltham, MA
Year Est.: 1979

Number of offices: 902
Total DC Plan Assets*: $16,763,988,814
Total DC Plans*: 5,945
Total DC Participants*: 158,635

CENTURION GROUP, LLC
centuriongroupllc.com
Plymouth Meeting, PA
Year Est.: 2006

Number of offices: 3
Total DC Plan Assets*: $16,200,000,000
Total DC Plans*: 180
Total DC Participants*: 545,000

CBIZ RETIREMENT PLAN SERVICES/ CBIZ INVESTMENT ADVISORY SERVICES
cbiz.com/retirement
Cleveland, OH
Year Est.: 1998

Number of offices: 25
Total DC Plan Assets*: $15,374,359,451
Total DC Plans*: 938
Total DC Participants*: 177,937

SHERIDAN ROAD FINANCIAL
sheridanroad.com
Northbrook, IL
Year Est.: 2005

Number of offices: 8
Total DC Plan Assets*: $12,559,182,985
Total DC Plans*: 249
Total DC Participants*: N/A

MARSH & MCLENNAN AGENCY RETIREMENT SERVICES
mmaretirement.com
New York, NY
Year Est.: 1988

Number of offices: 9
Total DC Plan Assets*: $11,845,125,000
Total DC Plans*: 807
Total DC Participants*: 194,000

** As of 12/31/17*

RESOURCES INVESTMENT ADVISORS
riaadvisor.com
Leawood, KS
Year Est.: 2010

Number of offices: 48
Total DC Plan Assets*: $11,000,000,000
Total DC Plans*: 1,200
Total DC Participants*: 150,000

BLUE PRAIRIE GROUP
blueprairiegroup.com
Chicago, IL
Year Est.: 2002

Number of offices: 8
Total DC Plan Assets*: $10,800,000,000
Total DC Plans*: 120
Total DC Participants*: 130,000

NEWPORT CAPITAL GROUP
newportcapitalgroup.com
Red Bank, NJ
Year Est.: 2004

Number of offices: 4
Total DC Plan Assets*: $10,800,000,000
Total DC Plans*: 126
Total DC Participants*: 127,785

IIC
iic-usa.com
Bloomfield Hills, MI
Year Est.: 2003

Number of offices: 2
Total DC Plan Assets*: $10,500,000,000
Total DC Plans*: 62
Total DC Participants*: 63,000

LOCKTON INVESTMENT ADVISORS
lockton.com
Washington, DC
Year Est.: 2007

Number of offices: 6
Total DC Plan Assets*: $10,446,854,801
Total DC Plans*: 156
Total DC Participants*: N/A

COMPASS FINANCIAL PARTNERS
CompassFP.com
Greensboro, NC
Year Est.: 2002

Number of offices: 4
Total DC Plan Assets*: $8,900,000,000
Total DC Plans*: 142
Total DC Participants*: 98,000

PFE ADVISORS, INC.
pfegroup.com
Southborough, MA
Year Est.: 1996

Number of offices: 2
Total DC Plan Assets*: $7,800,000,000
Total DC Plans*: 158
Total DC Participants*: 150,000

QUALIFIED PLAN ADVISORS
qualifiedplanadvisors.com
Overland Park, KS
Year Est.: 1987

Number of offices: 11
Total DC Plan Assets*: $7,800,000,000
Total DC Plans*: 410
Total DC Participants*: 70,900

STRATEGIC RETIREMENT PARTNERS
srpretire.com
Shorewood, IL
Year Est.: 2015

Number of offices: 15
Total DC Plan Assets*: $7,000,000,000
Total DC Plans*: 600
Total DC Participants*: 120,000

MRP
mrpretire.com
Denver, CO
Year Est.: 2005

Number of offices: 2
Total DC Plan Assets*: $4,900,000,000
Total DC Plans*: 214
Total DC Participants*: 50,525

SENTINEL PENSION ADVISORS, INC.
sentinelgroup.com
Wakefield, MA
Year Est.: 1998

Number of offices: 3
Total DC Plan Assets*: $4,500,000,000
Total DC Plans*: 446
Total DC Participants*: 50,000

CAFARO GREENLEAF
cafarogreenleaf.com
Red Bank, NJ
Year Est.: 1981

Number of offices: 6
Total DC Plan Assets*: $3,600,000,000
Total DC Plans*: 300
Total DC Participants*: 1,500,000

INTELLICENTS
Albert Lea, MN
http://intellicents.com
Year Est.: 1975, rebranded 2016

Number of offices: 6
Total DC Plan Assets*: $3,448,641,402
Total DC Plans*: 213
Total DC Participants*: 47,728

SOLTIS INVESTMENT ADVISORS
soltisadvisors.com
St. George, UT
Year Est.: 1993

Number of offices: 3
Total DC Plan Assets*: $3,000,000,000
Total DC Plans*: 121
Total DC Participants*: 70,000

PLAN SPONSOR CONSULTANTS
plansponsorconsultants.com
Alpharetta, GA
Year Est.: 2008

Number of offices: 5
Total DC Plan Assets*: $2,400,000,000
Total DC Plans*: 172
Total DC Participants*: 71,000

BUKATY COMPANIES FINANCIAL SERVICES
bukatyfs.com
Overland Park, KS
Year Est.: 2001

Number of offices: 5
Total DC Plan Assets*: $2,250,000,000
Total DC Plans*: 305
Total DC Participants*: 50,000

EVERHART ADVISORS
everhartadvisors.com
Dublin, OH
Year Est.: 1995

Number of offices: 2
Total DC Plan Assets*: $1,600,000,000
Total DC Plans*: 280
Total DC Participants*: 32,000

THE TRUST COMPANY OF TENNESSEE
thetrust.com
Knoxville, TN
Year Est.: 1987

Number of offices: 3
Total DC Plan Assets*: $1,351,360,434
Total DC Plans*: 220
Total DC Participants*: 25,377

IMA WEALTH, INC.
(F/K/A TRUENORTH, INC.)
imawealth.com
Wichita, KS
Year Est.: 1999

Number of offices: 3
Total DC Plan Assets*: $1,306,058,850
Total DC Plans*: 195
Total DC Participants*: 26,500

** As of 12/31/17*

VECTOR FRANKENSTEIN / SHUTTERSTOCK.COM

THE BIG GET BIGGER

BY JUDY WARD

THE RETIREMENT PLAN ADVISORY BUSINESS ENTERS A CONSOLIDATION PHASE

FOR DOMINIC CORLETO, A SENIOR INSTITUTIONAL CONSULTANT AT WELLS FARGO ADVISORS, TAKING OVER OTHER ADVISORS' BOOKS OF BUSINESS HAS BECOME A KEY GROWTH STRATEGY. HIS PRACTICE HAS ACQUIRED SIX OTHER ADVISORS' RETIREMENT PLAN CLIENTS AS THEY EXITED THE BUSINESS, AND CURRENTLY HAS FOUR PARTNERSHIPS WITH OTHER WELLS FARGO ADVISORS WHOSE PRACTICES DO NOT FOCUS ON RETIREMENT PLAN WORK.

"From a strategic standpoint, it has accelerated our team's growth tremendously," says Corleto, who is based in Eugene, Oregon. The acquired clients bring new revenue, which has allowed Corleto to add more team members with substantial experience and expertise in different aspects of retirement plan work. The deeper bench, in turn, attracts more new business.

Plan sponsors have realized that they need an advisor who's truly a retirement plan expert, who already has a strong base of plan clients, and who has a substantial organization behind them, Corleto finds. "Corporate buyers are very astute. They will ask things like, 'How many plans do you have?' And that naturally leads to the big getting bigger. If one finalist is an advisor with two plans who isn't a retirement expert, and the other is an advisory team that has 100 plans and really knows what they're doing, which one do you think the buyer will pick?"

The retirement plan advisory business seems to have entered a consolidation phase. "In the wealth management space, that market is more mature and has been consolidating for a while," says Rick Shoff, Doylestown, Pennsylvania-based managing director, advisor group at CAPTRUST. "I think that we are at the beginning of it in the retirement space. If it's a baseball game, a lot of advisory firms feel like they are in the sixth or seventh inning, in their evolution."

THE SQUEEZE

The first nine months of 2018 saw 123 RIA merger or acquisition transactions, according to the third-quarter 2018 "DeVoe & Company RIA Deal Book" report.

VECTOR FRANKENSTEIN / SHUTTERSTOCK.COM

That pace slightly exceeds the 120 deals for 2017's first nine months, and DeVoe expects 2018's final tally to slightly top the previous year. (The data includes wealth management RIAs, plan advisor RIAs, and RIAs that do both, and centers on practices with more than $100 million in assets under management.)

That follows a boom period for deals that mostly centered on wealth management RIAs. Transaction volume at established RIAs grew at an annual pace of 25% between 2013 and 2017, DeVoe & Company says. "This is a hyper-fragmented industry," explains David DeVoe, managing director and founder of the San Francisco-based consulting firm and investment bank focused on RIAs. "There are 10,000 advisory firms, depending on how you define it. And fragmented industries typically consolidate."

It has gotten harder for independent advisors to compete against larger advisory firms for plan sponsors' business, Shoff believes. "The squeeze is in the middle," he says. "On one end, you have large, more-established advisory firms that have a lot of resources to serve clients. On the other end, you have smaller, boutique-y firms that can compete because it's still a 'people' business. But once they grow into the middle, they are no longer boutique-y and unique, and yet they also don't have the resources to compete with the large firms."

These factors help explain the squeeze:

Sponsors' increasing fiduciary awareness. "I think it has gotten harder for independents to compete, and part of that is because of sponsors now going through an RFP (request for proposal) process for an advisor," says Randy Long, founder and managing principal at SageView Advisory Group in Irvine, California. "It's always harder to differentiate your value proposition when you're smaller: It's because of the fiduciary protection, the processes that big firms have in place to help sponsors with their fiduciary responsibilities."

Large advisory firms also have access to scaled lower-cost investments that sponsors increasingly seek, Long says. "The larger firms have the ability to go to asset managers and negotiate for a CIT (collective investment trust) or institutional share class at a lower price," he says. "We're able to significantly lower the asset-management fees, and we pass that savings along to our plans and their participants."

Nick Della Vedova, president of New York-based NFP Corp.'s retirement division, sees low-cost investment access as a growing differentiator for sponsors. "Not having access to rock-bottom-priced CITs — which are not offered to everyone — is going to become a real weakness of independent advisors when they are competing with affiliated advisors," he says. "The differentiated value is just too stark to ignore by a fiduciary."

Risk-mitigation rising. The plan advisor's role has evolved to one that emphasizes helping the employer mitigate its fiduciary and business risks. "For a plan sponsor, we're in the risk-management business," Long says. "When you have more depth and proven processes and more experience, that's what plan sponsors want."

For example, participants' data security has become a big concern for

NICK DELLA VEDOVA
NFP CORP.

sponsors, and that naturally favors larger organizations. "We have significant resources that we've deployed toward 'security architecture.' We've hired very senior people from the federal government's security community, and they have built large teams and the technology to protect our clients' information," says Edward O'Connor, New York-based managing director and head of financial wellness at Morgan Stanley. "It continues to be one of our top priorities."

Pamela Popp, president, retirement services at Kansas City-based Lockton Companies, sees the advisor's role expanding. "Employers are looking for people to help them solve their business problems — not just their retirement problems, and not their benefits problems," she says. "The advisor of the future truly has the business acumen and the financial acumen, and the perspective, to help them solve those challenges. Some of the

"IF WE HAVE A SIGNIFICANT CORRECTION IN THE MARKET, WE WILL SEE SOME ADVISORS WHO HAVE BEEN ON THE FENCE START TO THINK MORE CLEARLY ABOUT AFFILIATING."

— PAMELA POPP, LOCKTON COMPANIES

solutions will lie in the retirement area, some of them will lie in the benefits area, and some of them will lie elsewhere, in risk management."

Financial wellness becomes crucial. Employers' growing awareness of the need to help employees holistically with their finances represents a big turning point, O'Connor believes. "I see financial wellness as one of those big, revolutionary changes within the employee benefit arena. It may be as big as the shift from DB to DC plans," he says. "I've seen a sea change in the attitudes and the focus of many plan sponsors. The endgame is now financial wellness, not just retirement readiness, and this is broadening what needs to be delivered by financial advisors."

Financial wellness/planning programs now not only encompass retirement savings, but also employees' questions about issues like student debt, HSAs (health savings accounts), which employer health plan to choose, and whether it makes sense to get disability insurance, Della Vedova says. So clients will want broader solutions from advisors. "Going forward, it is going to be very difficult to continue to grow as a siloed, retirement-only practice," he thinks.

What advantage does a large-firm advisor, such as one at Morgan Stanley, have over an independent advisor on financial wellness? "Number one, we have the intellectual property, the content, and the solutions across the whole spectrum of financial needs. And number two, because of our size, we also can bring real buying power, when we need to bolt on other solutions that we've chosen not to do ourselves," O'Connor responds. "As part of a bigger organization, you can bring clients a value and a price that you will never be able to get on your own."

Expanding call for scale. There's a lot of talk currently about the importance of scale in the plan advisory business. "It's very elusive, and it's very relative," Shoff says. "What clients do need, though, is durability. When they say, 'Tell me about how you handle data security,' 'Tell me about your team,' and 'Tell me what other clients you have that look like us,' how you answer speaks to your durability. All these things give clients comfort that when something 'goes bump in the night,' the advisory firm is going to be durable."

There's now also a constant pressure on advisory fees, at the same time as advisors are pressed to deliver more and a broader selection of services, O'Connor says. "For the past couple of years, we've been approached at Morgan Stanley by independent RIAs" about being acquired, he says. These advisors understand that they need scale to compete in today's advisory business, he says.

El Segundo, California-based Cetera Financial Group affiliates with independent advisors who want to focus on work that directly impacts participant outcomes, and get help with other duties, says Jon Anderson, head of retirement plan solutions. Cetera can handle much of the work in areas like data aggregation, investment analytics, provider RFPs, and compliance. "We create an environment that helps advisors to serve their plan clients in a scalable way," he says. With much of the administrative work handled, he says, advisors can concentrate on working with sponsors on plan design and participant outcomes-focused education and advice.

Intensifying practice management pulls. The heightened competition has

THE CONSOLIDATION CONTINUUM

CONSOLIDATION DOESN'T JUST MEAN independent plan advisors' businesses getting acquired by large players, Wise Rhino Group's Dick Darian says. He sees a continuum of consolidation scenarios, based on how much ongoing control an advisor wants to retain:

AFFILIATE. On this first level, an advisor aligns with an integrated platform, but maintains an independently owned and operated business. "That's the first step of 'Hey, I need to scale my business: There are things that I need to do to be more efficient,'" Darian says. With an affiliation, an advisor still faces the basic issues of running a business. "All those things are on the table, except maybe now you're more scaled," he says.

BUY SMALLER FIRMS. Here, an advisor tries to increase scale by buying another advisory practice's book of business. "Some advisors ask themselves, 'Am I big enough to acquire firms myself?'" Darian says. "I think that most advisory firms view themselves as acquirers, not sellers. Their thinking is, 'I want to continue to be independent, and grow my business.'"

MERGE WITH A PEER. About 75-100 U.S. plan advisory firms fall into the category Darian calls "regional elites," with between $3 million and $15 million in annual revenue. "They want to continue to grow, so they may look at other regional players with similar size, a similar brand, and a similar culture, and try to merge their businesses," he says.

Below the 75-100 regional elites sit about 500 single-practitioner "elite" plan advisory firms, Darian says, and the 75-100 firms also may consider merging with one of them to increase scale. "Many of these regional elites are in the 'dangerous middle': They may have two partners and they've hit their 'capacity wall,' because everything the firm does is wrapped around them," he says. "So they may say to one of the 500 elite single-practitioner firms, 'Hey, why don't you join us?' It's a step in the continuum."

FINANCIAL ACQUISITION. One option to get acquired involves what Darian calls "financial acquirers," citing insurance broker HUB International Ltd. as an example. "They will buy the enterprise, but allow the advisory firm's CEO and team to retain significant independence," he says. "The advisory firm's broker dealer, its branding — all that doesn't change." However, he finds it difficult to imagine that this acquisition model will continue indefinitely. "At some point," he says, "integration and increasing scale will be necessary to build a profitable business."

PRIVATE EQUITY INVESTMENT: In this scenario, the acquired advisory firm keeps more control than if it sells to a branded advisory firm, Darian says. "It's not like the private equity firm is going in and taking over the management of the advisory firm," he says. But it will keep a close watch on the acquired advisory firm's financials.

These deals have only begun, Darian says. "The challenge here is that private equity firms want to write bigger checks to make an investment, usually at a minimum of $50 million," he says. "In our retirement space, there aren't that many advisory firms that could get that price now. So the private equity players are waiting for advisory firms to merge before they get involved."

Also, a significant part of what makes an advisory firm valuable to private equity players is its lucrative wealth management business, Darian says. That helps explain why some very successful plan advisory firms have increasingly put effort into building up a wealth management practice, he adds. "It's going to be more and more of the profitable part of their business," he predicts.

BRANDED ACQUISITION. Another option for acquisition involves selling to a branded acquirer in the advisory business, such as CAPTRUST or SageView. "It's an asset purchase, so the acquired firm's brand goes away," Darian explains. The acquired advisory firm's team members become employees of the acquiring firm.

CAPTRUST's Rick Shoff describes what the advisory firm looks for in an acquisition. "We're only interested in retirement-focused firms that have at least $1 million of revenue per year, which means that they probably have at least $1 billion in assets," he says. "We also want to make sure that we have a similar client philosophy: Our value proposition is focused on the middle market, plans with about $20 million to $400 million in assets. And we want them to be holistic, thinking about not just investments, but plan design and participant education."

RICK SHOFF
CAPTRUST

Crucially, the acquisition has to be a good cultural and interpersonal fit, Shoff says. And it also must be a good economic match. "We're employee-owned, and we believe in shared risk and reward," he says. For example, when it acquires an advisor's practice, the advisor might take half the proceeds in cash, but invest the other half in CAPTRUST's stock.

Like other acquirers interviewed, Shoff says his firm wants advisors who will stick around and grow their practice, not those looking for an exit. "There's a misconception among advisors that somebody's going to give them a big check, and then they can just walk away. And sometimes there's a misconception that somebody will pay them way more than they are worth," he says. "The truth is what they will get paid, on the front end of the deal, it's a pretty tight range: There's not a big difference (among acquirers). For us, we want people who want to buy into what we believe in: We're building a company that matters, and our best days are ahead of us."

– J.W.

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put pressure on independent advisors to run their business very efficiently. "There are a lot of independent advisors who are really great at working with their clients. But oftentimes, they're terrible businesspeople," Long says. "They don't understand their margins, or the profitability of each of their clients. They may have 20 clients, and they're spending 80% of their time on one client, and undercharging that client."

Spending more of their time on business management issues holds little appeal for many independent advisors, Della Vedova says. "Most advisors who are running their own practice started the practice to have independence and freedom. In the beginning, they spent most of their time selling new business, helping clients, and growing," he says. "But over time, they hire staff and realize that they are no longer in the retirement plan advisory business, but the human capital management business. And that includes all of the functions to run a successful business."

RIAs usually love to focus their time on relationship management with existing clients, and bringing in new clients they can help, DeVoe says. "But independent RIAs end up spending a lot of their time worrying about administrative issues like compliance, technology, and data security," he says. "We are seeing more and more advisory firms sell into a larger organization because they see it as the best way for them to grow the fastest, and to deliver good services to clients. Most importantly, these advisors are asking themselves, 'How do I want to spend my time?' They want to spend their time on what they are really, really good at, and what they really enjoy."

A lack of succession planning. The plan advisory business has gotten tougher just as many advisors near retirement age themselves, often without an internal succession plan. DeVoe has a couple of thoughts on why so many successful advisors lack succession plans. "I have been doing this for 16 years, and for awhile, I thought it's just a psychological slippery slope: When advisors start thinking about putting a succession plan in place, then they start thinking about their retirement, and about their death," he says. "To a degree, people get overwhelmed."

But DeVoe has realized that there's more to the succession issue than he initially thought. "When you start to go on a journey of succession, it seems simple at first: 'Do I sell internally, or externally?'" he says. "Soon, advisors realize that there are a lot of connected issues, such as deal structure, valuation, and governance. Before you know it, there are 30 different items that you need to look at, to put a plan in place." Busy advisors delay that time-consuming process, and by the time they feel the urgency to deal with it, they face their own imminent retirement. At that point, it's too late to groom a successor internally. "Because so many firms don't have a succession plan in place, more and more have to be sold externally," he says.

Of course, it's ironic that these same advisors have many years of experience working with clients to help them plan for their future. Says DeVoe, "It's an old story: 'The cobbler needs to make his own pair of shoes.'"

THE OUTLOOK

Not everyone sees the same pace of consolidation in the plan advisory business. Anderson, for one, doesn't really buy into that idea, or the notion that

"THE ENDGAME IS NOW FINANCIAL WELLNESS, NOT JUST RETIREMENT READINESS, AND THIS IS BROADENING WHAT NEEDS TO BE DELIVERED BY FINANCIAL ADVISORS."

— EDWARD O'CONNOR, MORGAN STANLEY

READER POLL: COULD MORE (CONSOLIDATION) MEAN LESS?

THERE'S A LOT OF TALK THESE DAYS about consolidation in the advisor market — but what have NAPA Net readers seen — and/or experienced?

The majority of respondents to our late November NAPA Net reader poll said that consolidation is occurring, though those responses ranged from 62% who said "yes," 12% who said "among smaller firms, maybe," and another 1 in 10 who responded, "It depends on what you mean by consolidating." The remaining 15%, of course, said "no."

"It's happening at a level I have never seen before," noted one reader, who went on to explain that "fee compression, increased efficiencies, national brand, DOL reg changes, and being at a boutique firm that understands their business are key items. Also, firms working to expand revenue lines are where it is going and they want to be part of it."

Where that consolidation has been seen, we asked readers what they attributed it to, and they indicated (more than one response permitted):

53% - Competition
51% - Desire for greater efficiency
45% - Fee compression
42% - Succession planning
29% - Economics
16% - Potential changes imposed by the fiduciary rule
13% - Technology/robo advisors

"The size of plans has grown, and so has the demands of plan sponsors on advisors," explained one reader. "Some cannot keep up. Also, many advisory firms just cannot grow their revenue, so a sale becomes an option."

"To be a good retirement plan advisor requires so many disparate knowledge and skill sets — investments and funds, plan design and compliance, Recordkeeping, education, etc. — that it's no longer practical for individual advisors to stay fully up to date on all aspects of plans," noted one reader. "That's why affiliating with a larger similarly situated organization makes sense, for both economics and client service."

CONSOLIDATION STATIONS

While consolidation may have been seen, it hadn't come "home" for most of this week's respondents. More than half (59%) said their firm hadn't consolidated during the past two years, though one in five (21%) responded "not yet," 18% said another firm had consolidated with theirs — and the rest, of course, had.

Among those readers whose firms had consolidated, the reason(s) most commonly cited for doing so was a desire for greater efficiency, followed closely by succession planning, economics, and distantly by fee compression and competition. One reader explained it was about the "potential for referrals with existing business." Or, as another reader noted, "We are bringing on new teams who are looking for efficiencies and a desire for collaboration on a larger scale."

"I think we're getting a constant barrage of marketing from the firms that would like us to consolidate and from the business brokers who want to help," commented one reader. "Those firms have figured out that it's easier to grow through acquisition and they're more visible than in the past. A number of advisors are aging out of the business, so those succession plans shouldn't be considered consolidation. Forcing brokers to roll up their business under one person who meets the 'I know something about retirement plans' also shouldn't count as consolidating, IMHO."

Thanks to everyone who participated in this — and every week's NAPA Net Reader Poll!

— NEA

only expert-level plan advisors can now get retirement business from employers. "I don't think it's happening, and I may be one of the only people in the business saying that," he says. More employers realize that they need retirement plans, and trusted professional help to run those plans, which has led more advisors into this business, he says.

Anderson offers a data point to support his view that there's no consolidation happening, based on Cetera's recent look at the three largest recordkeepers with whom it does business. "Across these vendors alone, the number of advisors they did business with grew 15% over the past three years," he says. Rather than a lot of advisory firms getting acquired, he envisions more potential for independent advisors to affiliate with larger organizations that can give them the support they require to serve plans well.

It's true that after four successive record years of M&A activity among RIAs in 2014-2017, the year-over-year percentage increase slowed down in 2018. "Clearly, 2018 is not a blockbuster year, but I think that's the natural ebb and flow of transactions," DeVoe says. "The core structural dynamics remain: the natural power of scale, and advisor (aging) demographics and lack of succession planning. We still believe that over the next five to seven years, we are going to see a lot of merger and acquisition activity."

"I don't think we'll see massive consolidation, from 10,000 advisory firms to just three or four major players, or even six or seven," DeVoe continues. "But I do think we'll see consolidation at the top: There will probably be 20 or 30 mega-firms that will keep growing bigger."

The world of successful, independent retirement plan-focused advisory practices is already pretty small, Shoff says, so it won't take many deals to have an impact. "We're such a niche, within a niche, within a niche. If you take out the wirehouse teams and the banks, and you focus on independent retirement-focused RIAs that have at least $2 million in annual revenue, there are only about 75 of those advisory firms in the country," he says. "If consolidation means that 10 of those 75 do something, that's significant consolidation. That's not many retirement-focused advisory firms for CAPTRUST to acquire, but we're talking to all of them."

What will prompt more plan advisors to do deals? "If we have a significant correction in the market, we will see some advisors who have been on the fence start to think more clearly about affiliating," Popp predicts.

Morgan Stanley's O'Connor has seen a very slow increase in consolidation the past few years. "But I think we're going to hit an inflection point, and that's going to accelerate," he says. "A couple of elements are going to come together. Number one, there's the raising of the bar from plan sponsors expecting a higher level of service and technology.

"And number two, the regulatory environment continues to challenge plan advisors to maintain a very high standard of care," O'Connor continues. "Every regulatory agency has come to realize that the financial services industry is now responsible for helping Americans achieve a dignified retirement. Both state and federal regulators are putting greater and greater scrutiny on how we service these individuals."

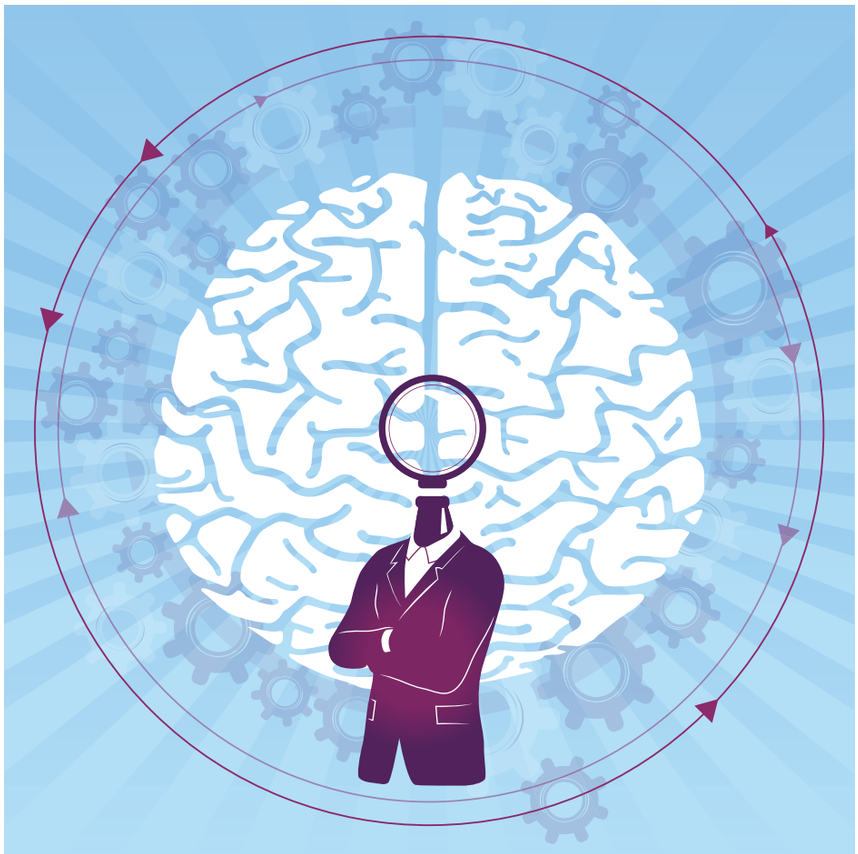
Regardless of the current pace, more deals by retirement plan-focused RIAs are imminent, predicts Dick Darian, Charleston, South Carolina-based partner

JON ANDERSON
CETERA

at Wise Rhino Group, a consulting firm that works with advisory firms to increase their enterprise value. "You are going to start to see 'name' firms with brand recognition do a deal," he says. "Right now it's a seller's market. But there will come a period when that will end, for example when there's a downturn in the broader economy. The cycle will end, and it will become a buyer's market."

For the near term, Popp anticipates a pretty quick pace of consolidation. "There are a lot of buyers out there, and they are really pushing valuations up on deals," she says. At some point, she says, valuations will reach a level where buyers start to hesitate, which will lead valuations to level out or decline. "It's already getting expensive again," she says of making acquisitions. "The last thing anybody wants to do is buy high."

» Judy Ward is a freelancer who specializes in writing about retirement plans.



What Do Plan Sponsors Want?

As a retirement plan advisor, this may be the best time ever to be in this business. Here's why.

BY STEFF CHALK

Nearly 45 years after the passage of ERISA, plan sponsors as a group are still unclear on what they look for and expect from their plan providers, which includes the retirement plan advisor. And yet they are quick to declare what they do *not* want from their service providers: fiduciary responsibility and fees in all forms.

The industry and some advisors have been responsive to the lowering of fees; however, as absurd as it may sound, lowering plan-related fees does come at a cost.

Since 2008, attentive plan sponsors have been responsible for comprehending the concepts of the QDIA and the extensive analysis required to assess target date funds. At the same time, plan sponsors and their committees have been puzzled, if not confused, by the communications from their advisors based upon the whipsaw actions caused by the Department of Labor's phantom fiduciary rule.

Plan sponsors have access to vast amounts of information. The same can be said of plan participants. Unfortunately, much of the information that is available is less reliable than the 408(b)2 and 404(a)5 reports that should take precedence. Plan participants who read negative stories and consume slanted views related to 401(k) or 403(b) plans will invariably question their employers, retirement committees and plan fiduciaries, forcing plan sponsors to spend time on such claims and defend their actions.

For a non-specialist advisor, this may not be a good time to serve retirement plans. But for a retirement plan advisor, this may be the best time ever to be in this business! Since most plan sponsors are oblivious to the distinctions between an advisor and a retirement plan advisor, it becomes incumbent upon the retirement plan advisor to set the record straight. When a retirement plan advisor describes this difference for a plan sponsor or their committee, it makes sense to also address exactly what the plan sponsor should be receiving.

One needs only to look at the recent excessive fee suit against New York University (NYU), which was built around claims of a fiduciary breach of the duties of loyalty and prudence under ERISA.

Retirement plan advisors need to make themselves fully aware of the facts and circumstances of this case, including the judgment for NYU on all open motions and the termination of the case. The suit and the judge's rulings read like a prudent fiduciary playbook for advisors and plan sponsors. If ever there existed a primer on how a retirement plan advisor can add true value to a qualified plan relationship, this is it.

The plan did not utilize the lowest priced services. NYU committee members incorrectly assumed that they could defer some decision-making to their retirement plan advisory firm. Some committee members did rely on the recommendation of a retirement plan advisor. NYU was not praised for flawless execution. But in the end, the retirement plan advisor's advice and the actions of a subset of the committee members convinced the court that the committee did perform adequately.

In this case, in which the plaintiffs sought $358 million based upon NYU's failure to implement and execute prudent processes, what is the value of their retirement plan advisor? It may be difficult to establish the amount — but it is certainly more than the value of a non-specialist advisor.

» Steff C. Chalk is the Executive Director of The Retirement Advisor University (TRAU), The Plan Sponsor University (TPSU) and 401kTV.

Morgan Stanley

THE BIG(GER) PICTURE

Workers are stressed. About their work, perhaps, but increasingly that stress seems to be about things outside of work; high balance credit cards, debt carried over from college, and yes, their lack of savings, much less retirement savings. Stress that relates to their life outside of work, and yet stress that increasingly seems to be coming to work with them – and that's a growing concern for plan sponsors.

NAPA Net spoke with Ed O'Connor, Managing Director, Head of Morgan Stanley's Financial Wellness program to discuss the issues, and a new generation of workplace solutions.

NN: The headlines are full of stories about workers being stressed – not so much about their work, but about things outside of work. What does that mean for employers, and the employees?

O'Connor: In conversations with plan sponsors, there is a strong consensus that stress impacts productivity. There are studies, including some from institutions of higher learning, that document the negative impact that stress has on productivity. While workers have always had to deal with those kinds of pressures, today they seem to be dealing with unprecedented levels of financial pressure, including greater responsibility for health care choices, and retirement security. Employers see the toll this takes on their valued workers and want to help.

NN: If the problems are outside of work – but affect work – what kind of solutions are available through workplace programs?

O'Connor: Traditional retirement plan education started by giving participants the information they needed to help them make the right decisions. Over time that evolved to provide participants the tools and means to act on those decisions. Financial wellness is another natural evolution in that concept because, done properly, it encompasses the individual's entire financial picture such as developing and keeping to budgets, paying down student debt, credit card management, and, yes – retirement savings.

NN: What kinds of solutions are we talking about?

O'Connor: Let me be very specific with one example: We provide a company specific digital portal where a participant can access tools that help raise awareness about things like the cost of credit card debt versus other means of financing. At that point of contact we can provide alternative solutions which, for example, may lead to a monthly saving. Then we could lead them to their 401k benefit site to help them save more for retirement. Finally the participant can see the positive impact on their personal circumstances. Financial Wellness should not just include articles, videos and calculators – it must foster positive action.

But how these solutions are delivered depends completely on the preferences of the plan sponsor. Morgan Stanley's role can be to provide our own solutions, or access to a market of solutions, and/or we leverage our scale to access third party solutions with greater value than could be acquired otherwise.

NN: What role do Financial Advisors play in this new evolution?

O'Connor: A human resource executive told me once, "I've seen great content, and enjoyed some interesting videos, but it's not moving the needle." To be truly effective, you must combine those digital resources with the intervention of competent professionals.

One of the key services we provide the plan sponsor within our Financial Wellness program is an aggregation and analysis of participant engagement with the site that displays the top financial stress points for their employees. With that we can deploy webinars and on-site seminars to really reinforce the delivery of knowledge and spark action by the employees. And, we can show the plan sponsor if the needle is moving.

NN: How does this approach mesh with behavioral finance designs like automatic enrollment?

O'Connor: For years we've taken advantage of behavioral finance tools like automatic enrollment to help workers get started doing the right things – but achieving holistic financial wellness is not a "one and done" solution. The centerpiece of our Financial Wellness program is a 12-question assessment. It takes less than 2 minutes to complete – gamifies the approach by providing a score and then it curates our content down to the next three things you need to do to improve that score. It begins the journey of financial wellness – and the involvement of our Financial Advisor keeps it going. So from a behavioral finance perspective it's about gamification, specific action-oriented engagement, immediate feedback and reinforcement.

NN: What's the next generation of financial wellness look like?

O'Connor: What we're seeing now is more and more companies are looking for financial coaching, someone who can not only help individuals set up a budget, but follow-up with them to help them stick with it. And this financial coach can help these individuals take full advantage of all the benefits the company offers. We're also looking at a refinancing solution for student debt. This is a big one. No one can save enough for retirement if they have a huge student debt issue. With our digital capabilities I think we'll see more and more personalized engagement. This will help participants achieve financial wellness, increase their productivity and make them feel even more connected to their employer.

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HRAs and HSAs: Where Do You Fit In?

Figuring out how you integrate into this landscape as an advisor is key.

BY DAVID N. LEVINE

Advisors have long played a key role in advising plan sponsors and their employees on their 401(k) plans. However, as the role of advisor has continued to evolve, another area has garnered a lot of attention — defined contribution health care "accounts." These "accounts" have been around for decades, but they came to prominence in 2004 with the rise of health savings accounts (HSAs). A slightly older type of account is a health reimbursement arrangement (HRA), which were created in 2002.

As the number of HSAs and HRAs continued to grow over the last decade, a lot has been said about the opportunities for advisors to support their clients in this space. Most recently, the Trump administration issued initial guidance that, when finalized, is expected to allow employers to provide HRAs to employees so that they can purchase individual coverage on the Affordable Care Act (ACA)'s public health insurance exchanges while continuing to satisfy the employer mandates under the ACA.

What does this new guidance mean to advisors and their clients? Even more defined contribution health care — whether through HRAs, HSAs, or other vehicles.

As plan advisors consider focusing on the DC health care market as an addition to their practice, there are many core considerations to keep in mind, including:

- ***The Defined Contribution Health Care Account "Client."*** An advisor's "client" can vary depending on the type of DC health care account involved and the exact services provided by an advisor. Is the advisor helping an employer select an HSA vendor, and/or is the advisor helping to select the investments in the HSA? If the account is an HRA, is the advisor helping to pick a funding vehicle — usually a voluntary employees' beneficiary association (VEBA), which is subject to its own regulations and requirements — and the investments inside the trust or in an employer's general assets? Importantly, if an HSA is involved, the account is more like an IRA that is owned individually by each employee. In fact, an employer is required to have very limited involvement with the HSA if it does not want the HSA to be treated as a separate benefit "plan" of the employer.
- ***Standards of Care.*** Most advisors are very familiar with the ERISA standards of care owed by a fiduciary advisory. HRAs are subject to these same standards of care, although how they are applied can vary slightly in the health versus retirement context. HSAs are subject to the Internal Revenue Code's IRA fiduciary rules unless the HSA program itself does not satisfy Department of Labor's guidance on what keeps an HSA from being an employer-sponsored plan — which then could mean that both the ERISA fiduciary and IRA fiduciary rules apply!
- ***Players in the DC Health Space and Potential Barriers to Entry.*** A key point for advisors to keep in mind is that there are various HRA and HSA options available. While some of the familiar trust companies and recordkeepers offer HRA and HSA products, there are other key players as well — health insurance brokers and insurers with products of their own that may already be in use by your retirement clients. Figuring out how you integrate into this landscape as an advisor is key.

Defined contribution health care accounts can present opportunities for advisors looking to diversify their businesses. However, it is important to have a strong plan and understanding of this market because while it is an opportunity, it is not identical to the retirement space. Being well informed about these distinctions can make the difference between success and failure in this space.

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WHEN IT COMES TO "RETIREMENT" RECORDKEEPING, ACTIVE ALWAYS BEATS PASSIVE

PAi Retirement Services

Academia has embraced "nudges" of a behavioral nature, but most recordkeeping solutions don't build those nudges into the service. "As an industry, we're still 95% passive in terms of the tools we offer," explains Michael Kiley, Founder and President of PAi. "There's no doubt that putting a calculator in front of people has helped," he continues, "but we've been doing that for a long time, and it's not moving the needle."

"The industry has done a great job of taking care of the folks that want detailed investment information, fund fact sheets, etc.," Kiley acknowledges. "The problem is, that's only 20% of the population." And for all the talk about a growing interest in outcomes, the defaults designed to overcome inertia are little more than starting points — and not terribly good ones at that. "What we really need to do is to focus on 'facilitating' success while we are 'educating' success. That takes an **active** recordkeeping solution."

Instead, Kiley says that those "participants by default" can achieve success by asking them how much retirement they would like to buy, rather than asking them how much income they want to defer, how much they want to save, or, heaven forbid, how they would like to invest those savings.

That's right — because, he maintains, you *can* put a price tag on retirement. "You just have to create a solution where the math is a reasonable number," he notes. "Actuaries do it all the time."

So, what does that "reasonable" number look like? Quite simply, it's how many years of retirement you would like. For example, what if an individual said they wanted to have 20 years of retirement — only to find out that, based on their current savings rate and circumstances, they only would be able to maintain their current lifestyle for five years of their retirement? Nobody wants that kind of surprise, but when participants only see account balances, they are **often** in for surprises as they approach retirement.

Once the participant has that frame of reference, they are able to consider how much retirement they'll be able to afford. Kiley maintains that participants can relate to the concept of how much retirement they want to have much more than how much money they'll have at some point in the distant future. "Retirement isn't about money," he explains. "It's about time."

Along with that shift in focus, "The character of our calls has changed. They aren't about the *product*, they are now about the *person*," Kiley continues. And, he notes, "While we are busy *talking about retirement*, our partners are gaining assets."

While many retirement plan advisors are inclined to focus on investments, that's not the topic most likely to engage participants and get them saving. Indeed, the most potent combination is what Kiley calls "augmented retirement," where advisors can use this kind of framing to focus on retirement, rather than investments. Advisors don't have the time to keep track of individual participants' journeys — which is why PAi developed a system that can do it for them. Kiley continues, "You will make more money with a service recordkeeping *retirement* than you will recordkeeping assets."

"Every participant has a 'right' number," Kiley explains. "When you can give an individual a number that is personalized and framed in a context they can understand, they can look at the number, decide if it works for them—and make changes, if not. At that point we're working *with* you to help you move that number along."

The same participant whose eyes glaze over when you talk to them about investments may get very passionate when you ask them to talk to you about their future retirement. Try it — just give them the opportunity to answer the "right" question.

Multiplication 'Fables'

The math may be right, but the answer? Not so much.

BY NEVIN E. ADAMS, JD

Did you hear the one about loan defaults adding up to $2.5 trillion in potential retirement savings shortfalls over the next 10 years? How about the "$210 Billion Risk in Your 401(k)"?

Those reports were based on an "analysis" by Deloitte that claims to find that "…more than $2 trillion in potential future account balances will be lost due to loan defaults from 401(k) accounts over the next 10 years…" That's right, $2 trillion lost "due to loan defaults."

Now, when you see headlines putting a really big number on what you already suspect is a problem – in this case "leakage" – roughly defined as a pre-retirement withdrawal of retirement savings – well, you could hardly be blamed for simply accepting at face value the most recent attempt to quantify the impact of the problem.

The Deloitte authors outline the assumptions underlying their conclusions in the footnote of the 12-page document. Specifically, they draw many of their starting points from a 2014 study, which found that with 86% of the participants that terminated employment with loans outstanding defaulted on those loans – and took their entire account balance out at the time of loan default.

The Deloitte modeling assumption relies on the notion that the vast majority of participants who default on these loans take their whole balance out of the plan. Rather than using the 86% assumption from the 2014 study, they scaled it back to a more conservative assumption that (only) 66% of participants that defaulted on their loan also took their entire account balance. They then back into the total account balance that those individuals would ostensibly have ($47.8 billion, assuming that their loan is 10% of their total balance) that they claim, based on the earlier assumptions, would be withdrawn in addition to the outstanding loan amounts. They then project growth in those totals assuming that everyone in that group is 42 (the average age of a loan defaulter) all the way out to age 65, assuming a 6% return over that period – and wind up with $2.5 trillion!

Now, there are so many assumptions imbedded in that calculation that act as multipliers on the original assumptions, it's hard to know where to start.

To put it in individual terms, the Deloitte analysis assumes that every borrower is 42 years old, that two-thirds of these that default not only do so on a loan of $7,081 (the average outstanding loan amount), but go on to cash out their remaining account balance of $70,106 (assuming, of course, that the loan amount is approximately 10% of the balance). They then assume – and this is the assumption based on complete speculation – that there was no subsequent rollover, nor any renewal of contributions anywhere over the rest of their working lives – while also assuming that they could have attained a 6% return on those monies over that extraordinary period of time if only they hadn't cashed out.

Still with me?

What's obvious is that the bulk – indeed, the vast majority – of that projected impact comes not from the highlighted loan defaults – which are, in fact, a mere fraction of the terminating participants' 401(k) balance – but from what the Deloitte authors term the "leakage opportunity cost" – basically it's the "magic" of compounding applied to both the defaulted loan and the other 90% of the participant account balance… at a 6% rate of return over nearly a quarter century.

They say that two "wrongs" don't make a right – and that's particularly true when multiplication is involved.

It's not that the math isn't accurate. It's just that the answer doesn't "figure."

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"WHO YOU GONNA CALL?"

JOHN CARL

ANDY LARSON

JENNY KIFFMEYER

In the 1984 classic "Ghostbusters," those experiencing paranormal trouble were asked, "Who Ya Gonna Call?" But for the past decade and a half, the answer to that question for many retirement plan advisors has been The Retirement Learning Center. Incorporated in 2003, the RLC was founded by John Carl, a quarter-century veteran of the retirement industry, along with now Director of Retirement Education Andy Larson and Chief Operating Officer Jenny Kiffmeyer, with a mission to serve advisors by providing real answers to real questions.

"Making value-add valuable" is the way Carl describes the support that RLC offers through a growing number of DCIOs, RIAs and broker-dealers. "Advisors are, generally, great at investments," he notes, "but often they need support on the ERISA aspects of client cases." Larson adds, "We excel at making complex client matters simple."

In January 2018, they unveiled a new RLC Direct service that is available to help financial professionals identify retirement sales opportunities and grow revenue. Previously, access to RLC had been limited due to an exclusive client arrangement, which is ongoing, but no longer exclusive.

While expert advisor support remains the foundation of their call center offering for advisors, the RLC has greatly expanded both its reach and the depth of its resources over the years. Both as a result of increasing regulatory complexity, and consolidation in support services, Carl notes that many advisory firms no longer provide that kind of robust support from the home office. Moreover, the rapid expansion of independents and RIAs, which haven't traditionally offered that kind of support, has created a whole new market.

Additionally, to support wealth management advisors, RLC's highly credentialed consultant team has access to more than 5,200 plan documents encompassing DB, DC and, in many cases, nonqualified deferred compensation plans. Carl estimates this database covers approximately 65% of working America's retirement accounts. This library can be referenced for financial planning purposes on client specific plan-related questions. The database is supplemented by annual Form 5500 information and has constituted a valuable resource for the 21,000 active users of RLC's service. As part of a three-part consulting model, not only can they dig into the particulars of a rollover transaction or compensation definition, they can provide information that can help an advisor identify a prospect, highlight technical matters that provide an entry point for the outreach, and offer practical ideas on executing an effective strategy. Kiffmeyer explained, "We help advisors navigate and maximize the 'retirement DNA' of their plan and wealth management clients."

These days the scope of RLC Direct's support includes real-time access to industry experts through the Resource Desk, compliant rollover and plan management strategies, award-winning content, keynote speakers, continuing education opportunities and practice management consulting. As an independent, third-party offering education and support both at the institutional and individual levels, this service shines as a model for those who take their fiduciary responsibility seriously. Though the consulting offering is robust, Kiffmeyer explains that they "don't talk specific investments at all." The service is focused exclusively on the ERISA need. "The usage of the service, in terms of volume, is relatively balanced between wealth-management focused advisors who want to understand the options of multiple plans and plan advisors seeking technical guidance, with a slight edge towards the wealth management side," says Carl.

For the past five years the RLC has also offered a continuing education service through its CE Center (CEC), where its institutional clients can receive CE administrative services and file content to obtain CE credits good towards advanced industry designations such as CIMA, CPWA, CFP, CPE, SHRM and state insurance licenses. A new service from CEC allows for elite advisors and industry consultants to become accredited CE instructors of the CEC.

So, for advisors focused on retirement plans and/or wealth management — and the organizations that support them — who you gonna call?

For more information on RLC DIRECT and subscription opportunities, please visit *retirementlc.com* or call (877) 275-7521.

RETIREMENT LEARNING CENTER

Case(s) in Point

The pace of retirement plan litigation continued apace in the fourth quarter of 2018, and while settlements remained the order of the day in proprietary fund suits, those that actually went to trial wound up favoring the fiduciary defendants. Meanwhile, a lawsuit challenging the legal status of a state-run automatic IRA program for private sector workers moves forward, even as the launch date for that program looms.

HIGHER 'COURT'

Putnam to make case to Supreme Court in excessive fee case

Putnam Investments, LLC, which recently had its win in an excessive fee case rebuffed and directed by the appellate court for a reconsideration with a shift in the burden of proof, has asked for a pause while it makes its case to the Supreme Court.

Noting that, while the appellate court remanded for the district court to complete the bench trial, "…that proceeding should not resume until the Supreme Court has the opportunity to decide who bears the burden of proof," the Putnam defendants noted in their petition.

The case, which has drawn the interests of a wide-ranging number of organizations in filing friend of the court briefs on behalf of the plaintiffs (AARP, the AARP Foundation and the National Employment Lawyers Association) and the Putnam fiduciary defendants (the Chamber of Commerce of the United States of America, American Benefits Council, the Securities Industry and Financial Markets Association (SIFMA), and the Investment Company Institute), has been cited by a number of settlement filings as indicative of the uncertain nature of plaintiffs prevailing in similar cases.

Case, Briefed

The case, *Brotherston v. Putnam Investments, LLC* (2017 BL 208765, D. Mass., No. 1:15-cv-13825-WGY, 6/19/17), was filed against Putnam Investments by participants in that plan, alleging that the defendants "have loaded the Plan exclusively with Putnam's mutual funds, without investigating whether Plan participants would be better served by investments managed by unaffiliated companies."

The plaintiffs' arguments had been dismissed in June 2017, with District Judge William G. Young determining that not only had the plaintiffs failed to identify any specific circumstances in which the company and its 401(k) plan put their own interests ahead of the interests of plan participants, but that the plaintiffs failed to show how Putnam's allegedly imprudent actions resulted in losses that required compensation. That said, Judge Young had also noted that the Putnam plan fiduciaries "review of the Plan lineup was no paragon of diligence."

However, less than two weeks ago, the appellate court opted to "…align ourselves with the Fourth, Fifth, and Eighth Circuits and hold that once an ERISA plaintiff has shown a breach of fiduciary duty and loss to the plan, the burden shifts to the fiduciary to prove that such loss was not caused by its breach, that is, to prove that the resulting investment decision was objectively prudent."

Having made that determination, and "finding several errors of law in the district court's rulings," the appellate court remanded the case for further proceedings by the district court.

'Stay' Case

Explaining that "without a stay the mandate is scheduled to issue on

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November 5, 2018," and that "a stay of the mandate would preserve the status quo during the limited period necessary to seek Supreme Court review," the petition notes that only two requirements must be met for a stay to issue: (1) the potential petition must "present a substantial question," and (2) there must be "good cause for a stay" – elements that they say are "readily met here."

The petition states that the appellate court has already acknowledged that this issue is one on which the circuits are deeply split, with now four circuits (the First, Fourth, Fifth, and Eighth Circuits) holding that an ERISA defendant bears the burden of proof on loss causation, while it states that at least four circuits (the Sixth, Ninth, Tenth, and Eleventh Circuits) have determined that the "plaintiff bears the burden of proving this element of an ERISA claim." Consequently, "at this point, nearly every circuit has decided the issue, and the conflict will not be resolved without Supreme Court review," they write.

Indeed, and as the petition notes, the Supreme Court was already considering taking up the issue this term in a case from the Tenth Circuit (*Pioneer Centres Holding Co. Stock Ownership Plan and Its Trustees et al. v. Alerus Financial NA*), but the parties in that case settled in September.

As for the Putnam request, the petition goes on to explain that "…if the district court retried the case in accordance with this Court's decision, and if the Supreme Court then articulated a different loss-causation standard, the case could even have to be retried again. Resuming proceedings in the district court while Appellees seek Supreme Court review would be neither efficient nor cost-effective.

"The trial took place a year and a half ago. The incremental delay in further proceedings to accommodate a petition for certiorari is certainly outweighed by the burden and expense to the parties if the district court proceedings resume prematurely."

The petition concludes that "because Appellees' forthcoming petition for certiorari presents a substantial question on which the circuits are deeply split, and because there is good cause to maintain the status quo and defer retrying the case while the Supreme Court considers that governing legal question, this Court should stay the mandate pending the filing and disposition of a petition for certiorari."

As for the plaintiff-appellants in this case, they are not contesting the request to stay, though they reserved the right "to oppose any petition filed for writ of certiorari by Defendants-Appellees' with the United States Supreme Court."

Stay tuned.

— Nevin E. Adams, JD

SETTLE 'METTLE'

Settlement struck in proprietary fund suit

The parties in yet another proprietary fund suit have come to terms, rather than go to trial.

The defendants here are Jackson National, sued by an employee/participant (Becky A. Matthews Pease) who had charged that 89% of the $608,784,892 in plan assets were "…invested in high cost and poorly performing Jackson National proprietary funds" – and that most of those options were "virtually identical" to funds that other institutions offered at "a fraction of the cost."

The parties have proposed to the court a settlement of a $4.5 million cash payment that they say represent a "substantial recovery," and that that – alongside some "material structural changes to the Plan's menu of investment choices that was apparently in process at the time of the initiation of this lawsuit will serve to prevent the alleged misconduct in the future."

This case – as this type of lawsuit generally does – alleges that the firm put its financial interests ahead of the plan's interests by selecting high-cost proprietary investment products offered and managed by Jackson National and its affiliates on the plan's menu of investment options. According to the suit, "this allowed Jackson National to maximize company profits at the expense of the Plan by collecting for itself millions of dollars in fees, an amount that greatly exceeds what the Plan would have paid for comparable low-cost non-proprietary investment products that are not offered by Jackson National to the Plan," and in so doing "… breached its fiduciary duties of loyalty and prudence, and engaged in transactions expressly prohibited by ERISA."

The proposed deal (*Pease v. Jackson Nat'l Life Ins. Co.*, W.D. Mich., No. 1:17-cv-00284-JTN-ESC, motion for preliminary settlement approval 11/1/18) claims to benefit about 5,000 current and former Jackson National employees who invested retirement assets in the company's 401(k) plan, according to court papers.

As is customary in such motions, the plaintiff notes that the proposed Settlement is "fair, reasonable, adequate, and in the best interests of Class members," that it "provides a substantial and immediate benefit to them in the form of a multi-million dollar cash payment," and that it is "the product of hard-fought litigation, which included substantial discovery, the exchange and review of key documents, the retention of knowledgeable and qualified experts on both sides who performed critical damage analyses, and arm's-length negotiations." And doubtless another consideration of both parties; it notes that the $4.5 million settlement "…is just less than half of Plaintiff's total estimated damages."

It also cautions that the settlement "…must be considered in the context of the risk that further protracted litigation might lead to no recovery, or to a smaller recovery for Plaintiff and proposed Class members." It also acknowledges that the "Defendant mounted a vigorous defense at all stages of the litigation, and Plaintiff expects that it would have continued to do so during protracted discovery and trial and potentially through appeal."

As noted earlier, since Jackson National has "replaced the investment choices and eliminated the fee structures that were the primary focus of the allegations of the Complaint," the Settlement "does not provide for any further structural changes to the Plan."

Under the terms of the agreement, the Settlement Fund will be administered by a Court-approved Settlement Administrator, and that amount – less administration costs, Court-approved fees, expenses, and Case Contribution Awards – will be distributed to Class Members "in accordance with the Plan of Allocation, or such other allocation plan approved by the Court," though no payment less than $25 will be distributed to any Class Member who is a Former Participant of the Plan. That said, the entire Net Settlement Amount is to be allocated to Plan accounts of all Class Members, with plan accounts re-established for all Former Participants.

The settlement notes that the plaintiff here would receive an award "not to exceed $5,000" in recognition of her service, and that Class Counsel will also petition the Court for an award of attorneys' fees not to exceed 33% of the $4.5 million Settlement Amount plus reasonable expenses.

All requests, of course, are subject to Court approval.

— Nevin E. Adams, JD

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EXEMPT 'SHUN'?

California comments on CalSavers ERISA preemption challenge

In response to a federal court request, Golden State officials have elaborated on why CalSavers – the state's state-run automatic IRA program for private sector workers – isn't preempted by ERISA.

The comments came in a brief in support of their request to dismiss a suit, filed in the U.S. District Court for the Eastern District of California by the Howard Jarvis Taxpayers Association, Jonathan Coupal, and Debra Desrosiers ("as non-governmental employees and California taxpayers). They allege that the California Secure Choice Retirement Savings Trust Act "violates the Supremacy Clause of the United States Constitution because it is expressly preempted by the Employee Retirement Income Security Act of 1974…" Without this preemption, the suit claims that "…such non-governmental employees' funds will have none of the ERISA protections intended for them by the federal government since 1974." Consequently, the plaintiffs assert that CalSavers is "ultra vires" (beyond the powers), and seek a declaration that CalSavers is "void."

In making their case, the plaintiffs had invoked statements from a 2015 Labor Department fact sheet detailing "circumstances under which a state-required payroll deduction savings IRA program would not give rise to an employee pension benefit plan under ERISA and, therefore, should not be preempted by ERISA," going on to note that the same fact sheet stated that, "The state must be responsible for the security of payroll deductions and employee savings," and that a simultaneous EBSA news release stated that the "new safe harbor… would adopt a standard stating that the state-sponsored payroll deduction IRA programs must be 'voluntary' for workers, rather than 'completely voluntary' as defined in a 1975 rule." Moreover, that it noted that "the employees and states would retain control of the program and IRA accounts."

Voluntary 'State'

Indeed, California's response was submitted because the court had requested a supplemental briefing on two issues in the plaintiffs' suit: (1) interpretation of the "completely voluntary" requirement of the aforementioned Department of Labor's 1975 safe harbor regulation, and how, if at all, this requirement applies to a state-mandated retirement savings plan such as CalSavers; and (2) how principles of conflict and field preemption apply, if at all, to CalSavers.

The response begins by citing a previous motion to dismiss where the defendants note that "CalSavers is not an "employee benefit plan" as defined by ERISA means any "plan, fund, or program … established or maintained by an employer or by an employee organization" in that it was established by the state, which, while it is an employer, does not qualify as either an "employer" or an "employee organization" under ERISA), and therefore the express

preemption provision does not apply. In a footnote, they go on to explain that in their assessment, the issue comes down to whether, in establishing and maintaining CalSavers, the State of California acts "indirectly in the interest of an employer." Concluding, not surprisingly, that in their assessment, it does not.

'Safe' Spaces

While stating that, from their perspective, the matter should end there, the defendants go on to address the 1975 safe harbor, explaining that DOL issued the 1975 Safe Harbor to clarify what employers may and may not do in connection with IRA programs "without thereby establishing or maintaining an employee benefit plan," going on to note that "there is no basis for concluding that IRAs established pursuant to a state-mandated program such as CalSavers are employee benefit plans when programs voluntarily initiated by an employer are not. Indeed, the opposite is true."

However, the defendants noted that here the Court requested briefing on one of the four elements of the 1975 Safe Harbor, specifically that ""[p]articipation [in the IRA program] is completely voluntary for employees or members." While stating they were unaware of any case law interpreting the "completely voluntary" prong of the 1975 Safe Harbor relating to IRAs, or was there any authority as to whether state-mandated retirement saving programs, or IRAs created pursuant to those programs, meet the "completely voluntary" prong of the 1975 Safe Harbor ("this is to be expected," the brief explains, "since state-mandated retirement saving programs have only relatively recently been established, and by only a few states").

Prong 'Wrongs'?

That said, the defendants found a reference point for the voluntary prong with regard to group insurance plans, and after recounting a handful of situations found to be voluntary by the courts, they cited instances where programs were found to not be completely voluntary, they note that "the CalSavers program could not be more different from the programs at issue in this latter group of cases. Not only is participation not mandatory, but employers are not responsible for administering the plan." Moreover, they explained that the information packet given to employees must by statute include an opt-out form and information about the employee's ability to opt-out, and that therefore "no employee reasonably could believe that his employer intends CalSavers as a benefit of employment."

Summing up this line of reasoning, the defendants state that "ERISA does not apply at all to CalSavers," since CalSavers was not established by and will not be maintained by any employer, but rather by the State; therefore, it is not an "employee benefit plan" within the meaning of ERISA. To the extent the 1975 Safe Harbor comes into play at all, CalSavers satisfies the "completely voluntary" prong of the 1975 Safe Harbor, since the minimal burden of opting out of coverage does not make an employee's decision to participate in the CalSavers program less than "completely voluntary."

As for how "principles of conflict and field preemption apply in this case," the defendants start by noting that "even if CalSavers could be said to give rise to an 'employee benefit' for employees that do not opt out, that would not infringe upon the field that ERISA regulates: employee benefit plans," and that, as stated earlier, "CalSavers does not create or regulate in any way an employee benefit plan, because the State of California does not meet the definition of an 'employer' or an 'employee organization' under ERISA."

> "Inadequate retirement savings affects not only the quality of life and physical health of individuals, but also significantly increases the burden on the State's retirement income support programs."

Police Powers

Nor, they argue, does CalSavers impose fiduciary obligations upon employers and "thereby infringe on ERISA's regulation of plan sponsors' fiduciary relationships to their participants." Rather, they note that the statute "expressly relieves employers from any fiduciary obligation to manage IRAs established under the program," nor does the CalSavers program mandate any record-keeping relating to ERISA-governed plans. "Employers that are subject to CalSavers may have to account for payroll deductions of those employees that do not opt out of the program, but those employers are already obligated to account for deductions that are taken from their employees' pay." Rather, they argue, "CalSavers is merely an exercise of the State's traditional power over the payment of wages…".

The state wraps up its argument by not only emphasizing that the Secure Choice Act (which created CalSavers) is "an exercise of California's historic police powers," but that it was "enacted to protect the physical and economic health, welfare, and well-being of its residents" – and that "Inadequate retirement savings affects not only the quality of life and physical health of individuals, but also significantly increases the burden on the State's retirement income support programs."

CalSavers, the state-run retirement plan for private-sector employees whose employers do not offer a retirement plan, launched its pilot on Nov. 19. The pilot is expected to start with about 20 diverse employers and grow to 50 or more. The first contributions to CalSavers are expected to start being made in January, according to an announcement on the Calpensions blog.

— Nevin E. Adams, JD

Polling Places

Every week, we ask NAPA Net readers to weigh in on a wide range of topics. But as we look back at the year just past — and the one coming up fast — we asked readers of the NAPA Net Daily to weigh in on two sides of the same coin: the most over-hyped trends — and the thing(s) that look to be the breakout trends for 2019.

'HYPE' OCHONDRIA?

And the Most Over-Hyped Industry Trend Is…

Ours is, of course, an industry in which staying current, much less getting ahead, can be a more than full-time focus. But when it comes to the most "over-hyped" trends — well, NAPA Net readers found it to be a "target-rich" environment.

In late September, we provided readers with a long list of potential candidates — and given an opportunity to select as many as seemed applicable, readers identified the following:

51% – ESG
46% – Robo-advice
40% – Smart beta fund strategies
28% – ETFs
27% – Annuities and lifetime income products in a 401(k)
26% – Financial wellness
24% – Health Savings Accounts (HSAs)
24% – 3(16)
23% – 3(38)
23% – Managed accounts
18% – Collective investment trusts (CITs)
17% – Indexing
16% – MEPs
6% – Retirement income strategies

Other over-hyped candidates identified by readers that were not on the core list included:

- Marijuana stocks!
- Financial "literacy" — most employees are not literate and have no desire to be. They need financial solutions, not education!
- Student loan repayment programs and MEPS
- Financial advice based in part on health factors
- Alternatives needed in the investment lineup
- Open MEPs as the solution to all the world's ills
- Automatic enrollment

Single Most 'Popular'

That said, asked to pick the single most over-hyped trend, the order was somewhat different — and the results much more spread out:

13% – Financial wellness
12% – ESG
11% – Annuities and lifetime income products in a 401(k)
10% – MEPs
8% – Managed accounts

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7% – Smart beta fund strategies
7% – Health Savings Accounts (HSAs)
6% – 3(38)
6% – 3(16)
4% – ETFs
3% – Indexing
3% – Robo-advice
2% – Collective investment trusts (CITs)

Reader Comments

As for comments on these "over-hyped" trends, readers had a lot to say. Here's a sampling:

"Exactly what is financial wellness?? Some give it away, some charge for it, some incorporate it with 'wealth managers' who may be pushing product, now we have products that attempt to quantify how 'financially well' your workforce is. It's become a tremendous buzz word… the new 'F' word."

"I think 3(38) is being sold to plan sponsors as complete relief from their fiduciary liability. I think 3(38) through likes of a **** just make it so that the non-dedicated retirement plan advisor can sell a plan, get paid and not service the plan. I think ESG has its place in certain plans and organizations, but it is now everywhere it seems. I believe robo-advice is good for the younger investors, but as an investor gets older there are things that a financial advisor provide that they can't get from a robo-advisor. It is just a race to the bottom, everyone wants A++ service, but no one wants to pay for A++ service."

"Top three: HSAs — trying to make margin for advisors for an account that is for paying medical expenses — to me like selling life insurance as an investment opportunity Smart beta — because active management can't compete with index funds and are trying to find ways to gather assets CITs for smaller plans. Yes, they are less expensive to launch than 40 Act fund but, MF still have better transparency and independent verifiably."

"CITs because there are a lot of funds that have same or lower net cost. CITs can have a lot of tracking error compared to the fund (usually negative) and only focus is on fee of CIT. Until plans are closer to $1 billion, don't see many good CIT options."

"Rarely have I come across any advisors or advisory teams that actually provide true discretionary management. I also think it is dangerous to over-promise fiduciary status since a plan sponsor cannot fully absolve themselves from their fiduciary liability."

"MEPs may provide better investment pricing, but professionals on the administration side will suffer. Greatly."

"Since accounts are valued 1x per day and you can get index funds at very low costs, why have an ETF in your plan?"

"Open MEPs are unattractive to our client base for two reasons: (1) Our small business owners are not sponsoring plans strictly as an employee benefit; the owners want to save big for themselves, and (2) Our clients want a 'high touch' customer approach, which is seemingly the opposite of being lumped together with a bunch of unrelated employers. Closed MEPs at least make more sense, especially for trade associations or businesses in a similar industry, where there is some commonality amongst the players."

"Hardly a week goes by where I don't see a managed account solution heavily marketed to me or a plan sponsor client of ours."

"I keep hearing hype on the economy of scale that will make MEPs very low cost for small employers. With census, contributions, coverage, discrimination and top heavy being at the employer level, how does using a MEP save any work? Plus, eligibility and vesting are more complicated because service with any of the participating employers counts, including, at least for eligibility, service before firms joined the MEP. A single audit only saves money if the employer is large enough to need an audit for an individual plan. Access to lower cost investments are likely, but any other cost savings would only come about if someone cuts corners."

"Models depend on generalized assumptions that almost certainly will not apply to any one individual which leads to gross misstatements of goals."

"My opinion is that an annuity or a lifetime income product should be an 'out of plan' or 'individual' decision as people begin to retire and exit the plan. There are too many liquidity and portability issues that still need to be figured out."

"A challenge with wellness is that it defies common definition and the benefits, while maybe intuitive, are hard to quantify."

"Participant savings rates/outcomes. Solid diversification based on age/time horizon. Monitoring expenses and investment options. Those are the keys… the rest is fluff."

"40 ACT and indexing has become so inexpensive and easy to use, you almost have to ask 'why' when it comes to CITs, especially in the micro, small, mid and to an extent large market (macro – for sure, makes sense)."

"With fee compression hitting providers hard, managed accounts are seen as a way to restore margins. Managed accounts aren't inherently bad, but I expect to see heavy fee compression hit managed accounts hard in the coming years."

"We are a provider in the micro/small market, and almost everything we have done is to provide seamless automated integration of all the necessary plan functions, and if we were to have to add a layer and call it a MEP, it would actually lower efficiency and add costs. Not sure who in the industry is promoting the idea of a MEP so hard to policy makers."

"If a fund fits your requirements otherwise (return, fees, trade limits, etc.) and it's an ESG fund, then go ahead and add it to the plan for those that care. If it doesn't, then don't."

"No way an open MEP provider is ever going to credit service with participating employers correctly; are open MEP providers really going to act as named 3(16)s like various bills require? (that responsibility can't be outsourced)."

"Passively-managed investments have made MEPs obsolete. While 401(k) plans often need lots of assets to access the top actively-managed funds, even start-up plans with no assets can access the top index funds and ETFs – no economies of scale required. The kicker? These funds often outperform their actively-managed counterparts, net of fees. They also offer a clear and simple way for employers to meet their investment-related 401(k) fiduciary responsibilities."

Thanks to everyone who participated in our weekly NAPA Net reader poll!

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BIG DEALS

The next big thing is…

A week after we asked readers to pick what they thought was the most "over-hyped" trends (see above), we turned things around, and asked what they thought could be the "big" thing(s) in 2019?

Given a choice (and a starting list) to work from — and allowed to pick all that might be a "big" thing, readers cited multiple employer plans (MEPs) by a significant margin. Indeed, it was cited by more than half (56%) of survey respondents, well ahead of the second and third options: 37% each for student loan debt and cybersecurity.

The remainder of the list cited (remembering that more than one option could be selected):

33% - Provider Consolidation
28% - Stock Market Volatility
26% - HSAs
21% - Retirement Income Strategies
16% - SEC Best Interest Standard
14% - Auto Portability
14% - Behavioral Finance Techniques
12% - Emergency Savings Plans
9% - Financial Wellness
9% - Outcomes

Other "things" noted were individual state-mandated fiduciary requirements, MRD, electronic delivery – "if we get guidance per the recent executive order," location of missing participants, the expansion of retirement plan recordkeeper portals to include budgeting, integration with other employer benefits, and USAs (Universal Savings Accounts).

Indeed, asked to narrow their selection of the big thing to a single item, the standout once again was multiple employer plans (MEPs), cited by nearly one-in-five (19%), followed by:

12% - Retirement Income Strategies
11% - Stock Market Volatility
11% - Student Loan Debt
9% - Cybersecurity
7% - Provider Consolidation
7% - Auto Portability

We got a number of reader comments on the prospects for these "big" things. Here's a sampling:

"Government-run retirement plans will not get any traction. Interest among both employers and employees will be lower than even the most minimal expectations. Any plans that have already been established will be dissolved. Employers and employees do not trust the government with their retirement money. Why? A poorly run Social Security program, government employee ineptitude, huge budget deficits, government debt in the trillions of dollars, and a severely fractured political climate all are contributing factors."

"I think Trump's announcement around Labor Day will open the door for the MEP regs to expand. I think this will allow for smaller employers to offer plans to their employees that are less expensive and with better fiduciary protection in place."

"In general, a lot of these topics are a rehash and I don't see one dominating the scene in 2018. Cybersecurity has gone way overboard with the participant websites at a few providers. Completely turns off the participants because they can't even log in and makes it impossible for advisors to try to provide a service by helping the participant get set up online. MEPs are overblown and will not solve all of the world's problems. State-Run IRAs scare everyone I've ever spoken to about it (you really want the state of California or Illinois or New Jersey managing your money?) Portability is wishful thinking."

"All depends on whether we get legislation, or guidance promised in executive order. Lots of room for deregulation – should D's win mid-terms, prompting President Trump to pull out his pen and phone in executive orders."

"If my selections were "things I would LIKE to see become a big thing in 2019, my list would have been narrowed to outcomes greater usage of behavioral finance techniques, and location of missing participants. Having said that, I believe that 2019 will be the year of the "found" participant."

> "Thank goodness we don't have any Y2Ks on the horizon... I can't think of anything that was more hyped than that!"

"One thing not listed that I think will be huge is participant advice. Delivered from a plan advisor in a non-conflicted way, this is becoming a huge difference maker."

"Thank goodness we don't have any Y2Ks on the horizon... I can't think of anything that was more hyped than that!"

"Not: Still can't quantify ROI of most financial wellness programs. Back to Over hyped: expensive annuities as distribution option from 401ks / 403bs. Needs continued improvement: Institutional distribution options within 401ks / 403bs."

"Student loan debt in a 401(k) will be a big nothing next year but get hyped up as the best thing to happen to America since winning the revolutionary war."

But this week's editor's choice goes to the reader who noted, "For cryin' out loud – I certainly hope DOL audits don't become a big thing!"

Thanks to everyone who participated in this — and every week's — NAPA Net Reader Poll!

Regulatory Review

As 2018 came to a close, there were a lot of new developments; a significant expansion of the hardship rules, the Labor Department reaches out on auto-portability, discussions continued on e-delivery options, and "ARPs" didn't turn out to be the (wide) open MEPs many had been hoping for…

HARDSHIP 'SHIFTS'

IRS issues new guidance on hardship distributions

With the impetus of the Bipartisan Budget Act of 2018, the IRS has provided for comment some much-anticipated new proposed regulations on hardship distributions.

Generally speaking, the changes will make it easier for participants to get, and to get more, when requesting a hardship distribution – and many of the "penalties" associated with taking a hardship distribution (imposed to help assure that the circumstances were truly a hardship, though some might argue they simply exacerbated the situation) are removed. Moreover, the criteria for hardship has also been expanded.

Hardship Definition Expanded

Specifically, the proposed regulations modify the safe harbor list of expenses for which distributions are deemed to be made on account of an immediate and heavy financial need by:

- adding "primary beneficiary under the plan" as an individual for whom qualifying medical, educational, and funeral expenses may be incurred (regulations had previously referenced only a spouse or dependent);
- clarifying that the home casualty reason for hardship does not have to be in a federally declared disaster area (an unintended consequence of the Tax Cuts and Jobs Act of 2017); and
- adding a new type of qualifying expense to the list – expenses incurred as a result of certain disasters that the IRS and Congress have traditionally, but separately, provided relief for in the past, such as hurricanes, floods, wildfires, etc. This, the IRS explains, is "intended to eliminate any delay or uncertainty concerning access to plan funds following a disaster that occurs in an area designated by the Federal Emergency Management Agency (FEMA) for individual assistance."

These updated list of safe harbor expenses may be "applied to distributions made on or after a date that is as early as January 1, 2018." The proposed regulation notes that this retroactive date was meant to protect those that may not have understood the "165h" issue caused by TCJA noted above.

Expanded Access

The account balances that may be accessed for hardship have been expanded to include:

- Elective deferrals plus earnings
- QNECs, QMACS, safe harbor contributions, QACA – all of these plus earnings, "regardless of when contributed or earned"

Note that individual plans may decide to limit the sources for hardship availability.

Hardship 'Penalties'

The proposed regulations "eliminate the safe harbor … under which a distribution is deemed necessary to satisfy the financial need only if elective contributions and employee contributions are suspended for at least 6 months after a hardship distribution is made and, if available, nontaxable plan loans are taken." However, the IRS, acknowledging the "timing of the publication of these proposed regulations," says that the prohibition on suspending contributions "would only apply for a distribution that is made on or after January 1, 2020."

The regulations also eliminate the rules under which the determination of whether a distribution is necessary to satisfy a financial need is based on all the relevant facts and circumstances, replacing it with a general standard for determining whether a distribution is necessary. That general standard is that:

- The hardship may not exceed amount of need, adjusted for anticipated taxes and penalties.
- The participant must have obtained all other available distributions under the employer's plans (other than loans, as had been the case under the current regulations).
- The participant must represent that he or she has insufficient cash or liquid assets to satisfy that financial need.
- The plan administrator may rely on this representation, barring "actual knowledge" to the contrary.

The IRS notes that, in light of the timing of the publication of the regulation, "the requirement to obtain this representation would only apply for a distribution that is made on or after January 1, 2020." That said, the regulations note that plan generally may provide for additional conditions for distributions made before January 1, 2020, "…to demonstrate that a distribution is

necessary to satisfy an immediate and heavy financial need of an employee."

403(b)

As for 403(b) plans, the IRS notes that since 403(b)(11) was not amended by the BBA 2018, "income attributable to section 403(b) elective deferrals continues to be ineligible for distribution on account of hardship," that QNECs and QMACs in a Section 403(b) plan that are not in a custodial account may be distributed on account of hardship, but that "QNECs and QMACs in a Section 403(b) plan that are in a custodial account continue to be ineligible for distribution on account of hardship."

Expanding Current Hurricane Relief

Recognizing that "employees adversely affected by Hurricane Florence or Hurricane Michael may need expedited access to plan funds," the IRS extended the relief provided under Announcement 2017-15 "to similarly situated victims of Hurricanes Florence and Michael," but extended that relief through March 15, 2019, noting that any necessary amendments must be made no later than the deadline for plan amendments "set forth in this preamble under Plan Amendments."

Effective Dates

The changes to the hardship distribution rules made by BBA 2018 are effective for plan years beginning after December 31, 2018, and the proposed regulations provide that they generally would apply to distributions made in plan years beginning after December 31, 2018. However, the IRS notes that the prohibition on suspending an employee's elective contributions and employee contributions as a condition of obtaining a hardship distribution may be applied as of the first day of the first plan year beginning after December 31, 2018, "even if the distribution was made in the prior plan year," therefore a person under elective deferral suspension in the second half of the 2018 plan year may resume (if the plan allows) deferring as of the first day of the 2019 plan year.

The IRS also notes that the revised list of safe harbor expenses may be applied to distributions made on or after a date that is as early as January 1, 2018. Moreover, it notes that a plan may be amended to apply the revised safe harbor expense relating to losses (including loss of income) incurred by an employee on account of a disaster that occurs in 2018 (such as Hurricane Florence or Hurricane Michael), "provided that the employee's principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster."

Next Steps

Assuming these proposed regulations become law, plan sponsors will need to amend their plans' hardship distribution provisions – by the end of second year after the issuance of the Required Amendments list. What's less clear at this point (but might be cleared up via the comment period/process) is the timing and manner of changes to changes to preapproved plans – it may even be that these changes can be incorporated in the third cycle restatements that are due to the IRS by 12/31.

— Nevin E. Adams, JD

IRS LIMITS

On Nov. 1, 2018, the IRS released the cost-of-living adjustments for various retirement plan limitations that will take effect on Jan. 1, 2019. Selected 2018 and 2019 annual limits are provided below.

PROVISION	2018	2019
DC Plan 415(c)(1)(A) Additions	$55,000	$56,000
401(k)/403(b) SARSEP Elective Deferrals	$18,500	$19,000
457 Deferrals	$18,500	$19,000
Age 50 Catch-Ups for 401(k), 403(b) and 457 Plans	$6,000	$6,000
Key Employee Income Definition	$175,000	$180,000
Highly-Compensated Employee Income Definition	$120,000	$125,000
Compensation Limit for Contribution Purposes in accordance with IRC Section 401(a)(17) for Non-Gov. Plan Sponsors	$275,000	$280,000
Compensation Limit for Contribution Purposes in accordance with IRC Section 401(a)(17) for Governmental Plan Sponsors	$405,000	$415,000
Maximum Adjusted Gross Income for Saver's Credit	$63,000 (joint) $31,500 (single) $47,250 (HoH)	$64,000 (joint) $32,000 (single) $48,000 (HoH)
SIMPLE Retirement Accounts	$12,500	$13,000
Compensation for SEPs	$600	$600
Earning Subject to OASDI Tax	$128,400	$132,900

Source: IRS Notice 2017-84 and Notice 2018-83.

AUTO 'PILOT'

DOL seeks input on auto portability

The Labor Department wants to know what you think about auto-portability.

In a Nov. 7 request for comments, the Labor Department noted that employees leaving their current place of employment with small account balances in the company's 401(k) plan often either take a distribution of their retirement savings or move the account into an IRA – an outcome it says also frequently occurs with small retirement accounts when a company terminates its 401(k) plan.

In its view, an auto portability program "seeks to improve asset allocations by consolidating small retirement savings accounts, eliminate duplicative fees for small retirement savings accounts, and reduce leakage of retirement savings from the tax-deferred retirement saving system." In its view employees would be told their 401(k) savings will be moved to tax-favored IRAs when they leave a job or if the plan is terminated, and that the employee's savings in the IRA then would be automatically transferred to the 401(k) plan of the new employer when the employee finds a new job.

In a parallel move, the Labor Department's Employee Benefit Security Administration has published a notice of proposed exemption via a request from Retirement Clearinghouse (RCH) to grant relief from ERISA's prohibited transaction restrictions and allow the firm to move forward with its auto-portability program.

According to the Summary of Facts and Representations accompanying the notice, participating plan sponsors would designate RCH or a participating recordkeeper to be the plan's default IRA provider for automatic rollovers of mandatory distributions and for distributions from terminated DC plans. The plans would agree to adopt plan amendments and resolutions necessary to carry out transfers under the RCH program and to make disclosures to plan participants and beneficiaries about the RCH program.

With regard to its request for comments on the proposed exemption, EBSA explains that under ERISA and the Internal Revenue Code, a plan or IRA fiduciary is prohibited from using its discretion to cause the plan or IRA to pay the fiduciary a fee. The agency suggests, however, that it has the authority "to grant exemptions that are protective of and in the interests of plan participants and IRA owners."

> "EBSA says it is interested in receiving input on any data or factors the agency should consider as part of the exemption, including protective conditions for participants and beneficiaries."

EBSA says it is interested in receiving input on any data or factors the agency should consider as part of the exemption, including protective conditions for participants and beneficiaries. The agency further notes that it welcomes "innovation in the area of retirement asset portability and encourages additional proposals."

Ripening Issue

While auto portability was not directly addressed in President Trump's August 2018 Executive Order, it seems to complement the underlying theme of promoting retirement security and making it easier for individuals to accumulate sufficient retirement savings.

This issue also has been percolating over the past couple of years. In July 2017, 11 GOP senators sent Labor Secretary Alexander Acosta a letter asking the DOL to issue guidance clarifying the application of ERISA to auto portability features to help facilitate the movement of a participant's retirement account from one employer to another.

The senators specifically requested that DOL issue an Advisory Opinion or other appropriate guidance as soon as possible providing legal clarity to help expedite such transactions. The American Retirement Association supported issuance of the letter.

The letter cites earlier research from EBRI contending that system-wide adoption of auto portability for all retirement balances could increase private-sector savings by nearly $2 trillion (in current dollars), adding that stopping leakage from smaller accounts alone would save $1.5 trillion.

Retirement Clearinghouse President/CEO Spencer Williams has previously stated that approximately 37% of job-changers cash out of their retirement accounts because they needed the money, while the remaining 63% did so because it was "the easiest path available," despite the early withdrawal penalty and taxes. In 2017 EBRI Research Director Jack VanDerhei applied some auto-portability assumptions to several different scenarios, and found that for individuals aged 25-34 in the lowest income quartile, assuming auto-portability for those with balances over $5,000 (indexed for inflation), it could mean nearly a 25% increase in their aggregate balances at age 65. With the same assumptions, but broadened to include auto-portability for all balances (not just those over $5,000), the increase was just over 35%. All told, over a 10-year time horizon, partial auto-portability would result in an additional $256 billion in retirement savings, and $1.5 trillion over a 40-year period.

The proposed exemption would be subject to renewal after a five-year period, at which point RCH would be expected to submit a new application.

Comments on the proposed exemption are to be submitted by Dec. 24, 2018.

— Ted Godbout

MEP 'STEP'

What happened to Open MEPs?

NICOLE S GLASS / SHUTTERSTOCK.COM

At first blush, many in the industry assumed that the Department of Labor's proposed rules expanding access to multiple employer retirement plans would include allowing for open MEPs by unrelated employers. The idea hasn't gone away, but it's not included in the recent DOL proposal.

Issued in response to President Trump's Executive Order, the DOL's proposal does seek to make it easier for small businesses and the self-employed to join a MEP, but DOL officials believe open MEPs were a step too far outside of the existing statute.

Modeled after the DOL's Association Health Plans (AHPs) concept, the proposed rules provide that bona fide employer groups or associations and bona fide Professional Employer Organizations (PEOs) may act as an "employer" under ERISA section 3(5) for purposes of sponsoring a MEP. In each case, this interpretation is based upon the DOL's conclusion that such bona fide employer groups, associations, or PEOs act "in the interest of" their employer members in relation to a retirement savings plan.

But when DOL unveiled the new proposal, the officials noted that they have to interpret the law as currently written in explaining why they did not include allowing for open MEPs, which are plans that cover employees of employers with no relationship other than their joint participation in the MEP.

They did note that pending legislation on Capitol Hill would address this.

"The DOL did a very good job within the limits of the law providing a structure to expand retirement coverage through associations and professional employment organizations," explains Doug Fisher, Director of Retirement Policy at the American Retirement Association. Fisher notes that the MEP legislation before Congress goes a couple steps further and allows a broader group of organizations to sponsor and administer MEP legislation. "In total these proposals should they become final will significantly expand retirement savings options for full and part-time workers," he adds.

Michael Kreps, a Principal at Groom Law Group, echoes that point. "There is a strong, bipartisan consensus around the Hill on legislation to materially expand the availability of MEPs, and the leading bills, one of which already passed the House, go significantly further than the Department of Labor's proposed rule, which is relatively narrow in scope," he notes.

The House-passed Family Savings Act would ease the commonality rules for MEPs and eliminate the so-called "one bad apple" rule. In addition, the Retirement Enhancement and Savings Act (RESA) includes a provision allowing for open MEPs, where there is no requirement that an employer be the plan sponsor. A financial firm would be permitted to sponsor the MEP and there is no need for the employers to be part of an association with trade or business ties under the commonality requirement to join the MEP.

Comments Requested

In the proposal, DOL notes that it considered, but decided not to include open MEPs as well as "corporate MEPs" because they implicate different policy concerns. But consistent with the Executive Order, the DOL notes that it is interested in receiving comments on these other categories of MEPs.

Corporate MEPs cover employees of related employers which are not in the same controlled group or affiliated service group. DOL says that it does not intend to convey that a corporate MEP could not be a single employee benefit plan under title I of ERISA. Rather, comments are requested on whether any regulatory provisions or other guidance is needed to address the MEP status of plans maintained by such related employers.

For open MEPs, comments are requested on whether and under what circumstances open MEPs or "pooled employer plans," as addressed in the various legislative proposals, could be operated as an employment-based arrangement under ERISA.

To the extent that stakeholders believe these arrangements should be addressed in rulemaking, DOL asks commenters to address why such an arrangement should be treated as one employee benefit plan within the meaning of title I of ERISA rather than as a collection of separate employer plans being serviced by a commercial enterprise provider. Commenters are also asked to provide suggestions regarding the regulatory conditions that should apply to the particular arrangement.

— Ted Godbout

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ICMA-RC-Vantagepoint Funds
Independent Financial Partners
Insight Financial Partners, LLC
Institutional Investment Consulting
Integrated Retirement Initiatives
Invesco
IRON Financial
Ivy Investments
J.P. Morgan Asset Management
Janus Henderson Investors
John Hancock Investments
John Hancock Retirement Plan Services
Judy Diamond Associates (ALM)
July Business Services
Karp Capital Management
Kestra Financial
LAMCO Advisory Services
Latus Group, Ltd.
Lazard Asset Management
LeafHouse Financial Advisors
Legacy Retirement Solutions, LLC
Legg Mason & Co. LLC
Lincoln Financial Group
Lockton Financial Partners, LLC
LPL Financial
LSV Asset Management
M Financial Group
Macquarie Investment Management
Manning & Napier Advisors LLC
Marietta Wealth Management
Mariner Retirement Advisors
Marsh & McLennan Agency of New England
MassMutual Retirement Services
Matrix Financial Solutions
Mayflower Advisors, LLC
MCF Advisors
Mesirow Financial
MFS Investment Management Company
Milliman
MMA Securities LLC
Monarch Plan Advisors
Morgan Stanley
Morley Capital Management, Inc.
Morningstar, Inc.
MPI (Markov Processes International)
Multnomah Group, Inc.
Murray Securus Wealth Management
Mutual of Omaha Retirement Services
Natixis Global Asset Management
Nationwide Financial
Neuberger Berman
New York Life Investment Management, LLC
Newport Group
NFP Corp
Nicklas Financial Companies
North American KTRADE Alliance
Northwest Retirement Plan Consultants
NovaPoint Capital, LLC
NPPG Fiduciary Services, LLC
Nuveen Investments
OneAmerica
OppenheimerFunds
PAi
Paychex, Inc.
Penchecks, Inc.
Penn Investment Advisors
Pension Assurance, LLP
PensionPro
Pension Resource Institute, LLC
Pentegra Retirement Services
PIMCO
Pinnacle Trust
Plancheckr
PlanPro
Plexus Financial Services, LLC
Precept Advisory Group
PriceKubecka
Prime Capital and Qualified Plan Advisors
Principal Financial Group
Principled Advisors
ProCourse Fiduciary Advisors, LLC
Procyon Partners, LLC
Prudential
Questis
Raymond James
RBF Capital Management
RCM&D
Redstar Advisors
Reilly Financial Advisors
Resources Investment Advisors
Responsible Asset Management
Retire Ready Solutions
Retirement Clearinghouse, LLC
Retirement Fund Management
Retirement Leadership Forum
Retirement Learning Center
Retirement Plan Advisors Ltd.
Retirement Plan Consultants
Retirement Planology
Retirement Resources Investment Corp.
RiXtrema, Inc.
Rogers Wealth Group, Inc.
Roush Investment Group
Russell Investments
Rutherford Investment Management
RPS Retirement Plan Advisors
RPSS
SageView Advisory Group
Saltzman Associates, LLC
Schlosser, Fleming, & Associates LTD
Schwartz Investment Counsel, Inc.
Securian Retirement
SetAway, LLC
Shea & McMurdie Financial
Shepherd Financial, LLC
ShoeFitts Marketing
Sierra Pacific Financial Advisors, LLC
Signator Investors
Slavic401k
Soltis Investment Advisors
Spectrum Investment Advisors
Stadion Money Management
Stiles Financial Services, Inc.
Strategic Insight
StratWealth
Streamline Partners
Summit Benefit Solutions, Inc.
Sway Research, LLC
T. Rowe Price
TAG Resources, LLC
Taylor Wealth Solutions
Teros Advisors
The Pangburn Group
The Standard
Thornburg Investment Management
Three Bell Capital LLC
TIAA
Titan Retirement Advisors, LLC
Touchstone Retirement Group
Transamerica
TRAU
Trinity Advisors
Troutman & Associates, Inc.
Trutina Financial
Tsukazaki & Associates, LLC
Twelve Points Retirement Advisors
Two West Advisors
Ubiquity Retirement + Savings
UBS Financial Services
Unified Trust Company
Up Capital Management, Inc.
Vanguard
Vestwell
Victory Capital
Virtus Investment Partners
Vita Planning Group
VOYA Financial
vWise, Inc.
Wells Fargo Advisors
Wilmington Trust
Wilshire Associates
Wipfli Hewins Investment Advisors, LLC

*as of November 21, 2018

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*SOURCE: John Hancock's 2018 Financial Stress Survey. In June 2018, John Hancock Retirement Plan Services sponsored our fifth annual Financial Stress Survey. Working with the respected research firm Greenwald and Associates, we surveyed more than 1,300 workers to learn more about individual stress levels, their causes and impacts, and strategies for relief.

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