



Advisor Connect | Aligning Plan Design With Client Goals

MAKING IT ACTIONABLE

Most of us live in homes that were not custom-designed for us. We adapt to them rather than expect them to be optimized for our needs and preferences. Most retirement plans are sold the same way; companies buy something off the shelf that was intended for a generic audience, but is not necessarily a perfect match for their needs and goals.

Generic retirement plans are not optimized for any single buyer's particular situation. Ironically, while these generic plans are sold as cost-efficient, they often wind up costing their buyers a great deal in the long run because of lost tax or retirement savings.

Plan designs can vary in important ways. For example, depending on the plan:

- Contributions can be discretionary or mandatory.
- They can favor older employees over younger ones.
- They can accumulate a balance like a 401(k) or a promised benefit as in a defined benefit plan.
- They can have modest limits on contributions or can go up to multiple six figures in DB and cash balance plans.

ACTIONS TO TAKE NOW

Align your client's retirement plan design with your client's goals. Unless a client is simply focused on the least expensive way to offer any sort of "retirement benefit," spend the time and effort to help them understand their choices.

That means:

- 1 Listen and assess what your client's true goals are.
- 2 Present a range of ideas that can best deliver what they need.
- 3 In doing so, you reaffirm the quality of relying on experts like us.

If we don't, we run the risk of failing to meet their goals and wind up leaving the door wide open to competitors. Let's work together to keep that door closed.