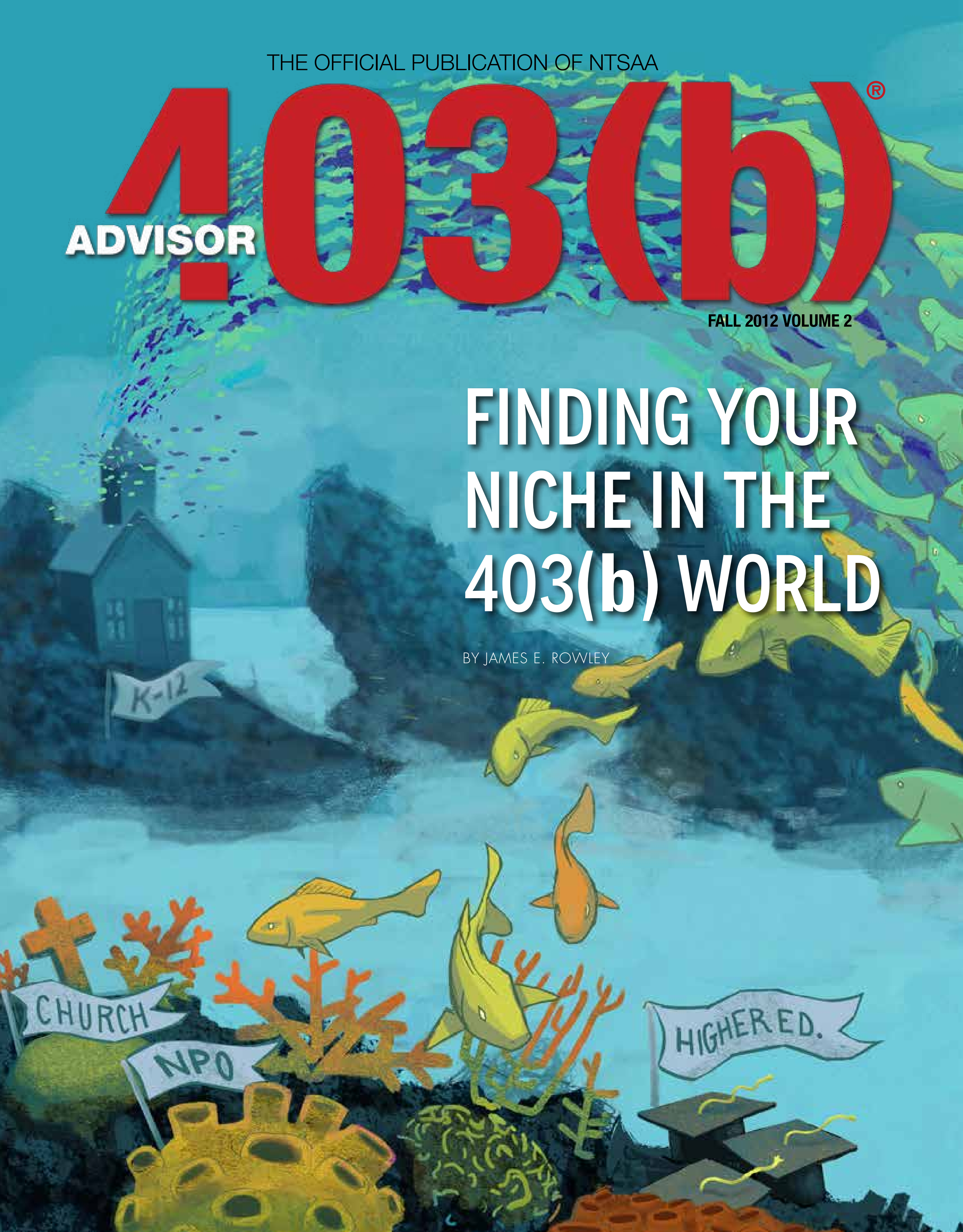
THE OFFICIAL PUBLICATION OF NTSAA
ADVISOR 403(b)®
FALL 2012 VOLUME 2
FINDING YOUR NICHE IN THE 403(b) WORLD
BY JAMES E. ROWLEY
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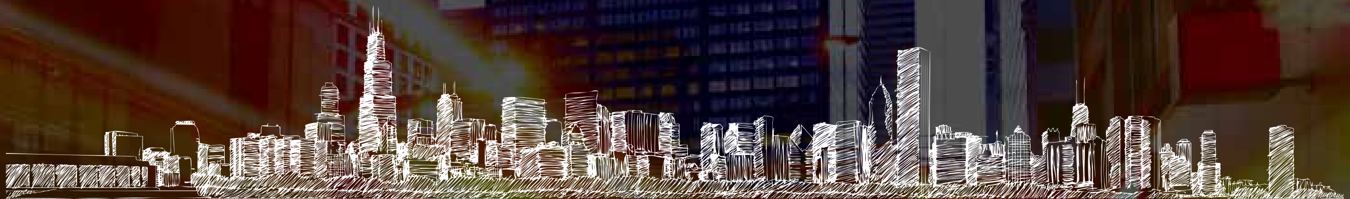

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403(b) ADVISOR®

The Exclusive Magazine for 403(b) and 457 Investment Professionals

Fall 2012 Volume 2

COVER STORY

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Higher education, nonprofits, and church plans offer a challenging world of new opportunity for advisors willing to learn the ropes.

JAMES ROWLEY

Cover:
Illustration by Britt Irick

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Providing unbiased financial education, while leaving the administration and investment advice to carriers, is this firm's secret to business success.

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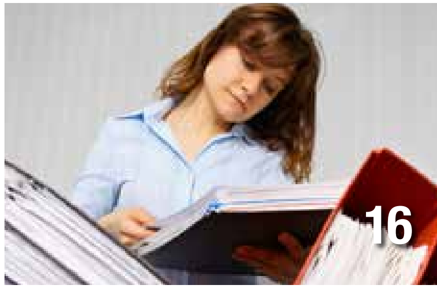
30 LEARNING THE LANGUAGE OF FINANCE

Desiree Kelley works for the Sonny Detillier Agency in Lutcher, La. A transplant from the pharmaceuticals business in 2007, she's relatively new to the 403(b) field and is the kind of young advisor that many agencies and companies are interested in recruiting.

AN INTERVIEW WITH DESIREE KELLEY



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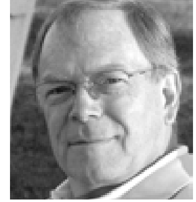
ADVANCE LOOK



Risk Deferred

BY STEVEN SULLIVAN

Particularly risky behavior performed by professionals is often accompanied by the warning: Do not attempt to try this at home. Unfortunately, that warning no longer applies to those of us who have to face longevity risk.

Back in the day, when defined benefit pensions were king, longevity risk was handled by professional actuaries. Workers knew that when they retired they would receive an exact amount that had been carefully calculated. There was no risk that they would ever outlive their income, no matter how long they lived.

Now, with most of us covered by defined contribution plans, we have to be our own actuaries. We have to figure out for ourselves, with the help of an advisor, how long we might live and how much money we'll need to cover that time span. A daunting task, even with the help of a skilled and knowledgeable advisor—especially when a miscalculation could mean living the last years of one's life in poverty.

Now advisors will have a new tool to help clients deal with the risk of outliving their income. It's called a qualified longevity annuity contract (QLAC) and actuary William Held writes about them on page 21.

"Longevity annuities," says Held, "are deferred annuities that allow a person to take a portion of his or her assets and buy a monthly benefit payable at some point in the future." In other words, the annuity is set up to kick in only if the retiree lives past his or her expected life span, in this case age 85. Until then, a portion of the person's retirement account is used to pay the annuity's premiums.

Though the regulations governing QLACs are far from final, they do contain some troubling limitations. For instance, according to a bulletin published by Ascensus, the maximum amount of the premiums paid to a QLAC under a plan is the lesser of a dollar limit or a percentage limit. The dollar limit is $100,000 (adjusted for inflation) minus the total premiums paid. The percentage limit is 25 percent of a participant's account balance on the date of a premium payment minus previous premiums paid to the QLAC.

The proposed regulations also require QLAC issuers to provide certain reports and disclosures, including:

- A nontechnical description of the dollar and percentage restrictions on premiums;
- The annuity start date under the contract, including any option to begin payments before the annuity start date;
- The amount or estimated amount of the annuity payment payable as a single life annuity after the annuity start date;
- A statement of any death benefit payable under the contract, along with differences in death benefits payable if the contract owner dies before or after the annuity start date;
- A description of the administrative procedures associated with the contract owner's elections under the contract.

Even if it's not ideal, at least at this stage, it's a step in the right direction. Annuities are complicated instruments. They can look expensive and, if not properly explained, clients can have a hard time overcoming their distrust of them, especially a new product like a QLAC. But as advisors become more familiar with them, and learn how to find the right fit for each client, they could very well be an important part of many 403(b) portfolios.

Steve Sullivan is editor of 403(b) Advisor *magazine. He lives in Baltimore, Md.*

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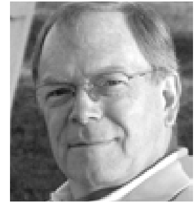
NTSAA WELCOMES NEW PRESIDENT DAVID R. BLASK, CPC, TGPC



BY STEVE SULLIVAN

"NTSAA is of growing importance because of the constantly changing scene at the state level, says David R. Blask, NTSAA's new president through December, 2013. "It provides a way for us to collectively speak in opposition to policies that would take choice away from educators. In the recent past we've seen a number of state legislatures consider measures that would impose a state mandated 403(b) solution at the expense of product choice and the ability to select the level of service they need."

As the senior pension consultant for Lincoln Investment Planning Inc., a broker/dealer that focuses on 403(b) plans, Blask serves as a technical resource for advisors in the field.

"I've had the pleasure to work with David Blask as a fellow member of the NTSAA Leadership Council (LC) over the past three years," says outgoing president Scott Hayes, TGPC. "Since I became president of NTSAA nearly two years ago, I've had the opportunity to interact with David through both the LC and through his work on the Education Committee, the Membership Development Committee, and this year on the management team as NTSAA's president-elect. David's contributions are always smart, focused, and thoughtful and I have no doubt that he will enjoy tremendous success in leading the association through the next stage of our rebirth, in partnership with ASPPA, as NTSAA's next president."

Blask sees NTSAA as playing a crucial role in describing the advantages of 403(b) programs as one of the most effective ways for educators to save for retirement, particularly at a time when DB pension plans for public employees are underfunded and many states are considering moving to DC plans for public school teachers.

"The importance of NTSAA is just going to grow as economic pressures continue to increase," Blask maintains. "With the crisis in Social Security and pension plans, folks who aren't saving for retirement are really putting themselves in jeopardy. We as a country need to understand that, and we need to understand the role an advisor can play in getting that message across. NTSAA is demonstrating how when we speak together and we get organized, we can prevent special interests from taking a system that's working and reducing its efficacy."

Blask takes the helm at the inception of a massive restructuring of NTSAA's membership mechanism.

"There's a new structure being developed for increasing membership," says Blask. "We're going to partner with companies that will be able to offer NTSAA membership to their employees or 1099 contractors. We expect that to lead to much larger membership numbers than we've seen in the past. We're very excited about being able to offer the benefits of membership to a much larger number of people than we've seen before. The challenge is to really get these new members engaged and recognize the importance of NTSAA to the industry and their own personal future."

A motorcycle enthusiast, Blask enjoys riding with his wife, Michele, as well as the time he spends with daughters Lauren and Sarah and son-in-law Craig.

"My commitment is to help NTSAA and its individual to step forward and become involved. It's satisfying to be part of the process because you're influencing decisions that affect your industry and your own bottom line."

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GOVERNMENT IMPACT

Subduing the Giant

BY CHRIS DEGRASSI

Separately, 403(b) advisors don't stand a chance. But as members of NTSAA they can muster the resources to successfully subdue the giant.

The Roberts Court has settled the national debate on health care, at least for a while. And, as I'm sure you've noticed, the pending fiscal cliff, the public pension crisis, and the impact of tax expenditures on the federal budget deficit now dominate national headlines and the public debate.

In search of a "fix" to long-term structural issues that burden our federal and state budgets, Congress and many state legislatures are turning their attention to both private- and public-sector retirement plans, looking for new revenue to balance budgets and searching for a silver bullet to reduce or eliminate pension liabilities.

There's no doubt that all tax-deferred retirement plans are at risk of falling victim to short-sighted changes that will have a potentially catastrophic impact on our nation's long-term retirement preparedness. Current proposals at both the federal and state level would affect the fundamental structure of our voluntary retirement plan system, including 403(b), 457, and 401(k) plans, and even individual retirement accounts.

But it's not just politicians and policymakers we need to be concerned about. Large financial institutions see the current debate as an opportunity to consolidate and control the employer-sponsored retirement plan market. They're investing millions of dollars right now in Washington and state capitals around the country to influence policymakers and develop a retirement plan system that only has room for them.

I'm proud to share with you that NTSAA, rising to the challenge, has proven itself to be the effective advocate for our industry. We've successfully executed advocacy, grass roots, and political action initiatives in five states to both protect our members from harmful legislation and promote the value of a competitive private retirement plan industry. Our recent activity in Ohio is a good example of the effectiveness of the NTSAA advocacy initiative.

Special interests sponsored an amendment to Ohio HB 487, a budget reconciliation bill, late in the legislative session that would have forced public schools to choose between going to RFP for retirement plan providers, or accepting providers selected by the Ohio Board of Regents retirement plan. NTSAA immediately took action and organized a successful response to this blatant effort to corner a market through legislation, rather than legitimate competition.

On the ground in Columbus, NTSAA leadership joined NTSAA members to visit with key legislators and committee members. Together we educated the decision-makers on the harmful impact of the proposed legislation and offered policy alternatives that would result in better outcomes for public education employees.

What's more, NTSAA didn't take on this cause alone. We organized a robust coalition of stakeholders in opposition to the legislation, coordinating with educators, business officials, investment providers, and financial professionals. NTSAA also organized a grass roots campaign that generated more than 1,000 opposition letters to legislators. NTSAA white papers and committee testimony were also critical in

formulating and supporting our policy argument.

As result of NTSAA's leadership in opposing the legislation, the amendment was stricken from the bill in committee and never made it to the senate floor for a vote. The coalition we built in Ohio is now working to develop 403(b) fee transparency legislation that will support a healthy and competitive retirement plan system for Ohio's public school employees. I'm proud of similarly successful NTSAA advocacy initiatives in California, Illinois, Kansas, and North Carolina.

We know this battle is far from over. The budget challenges faced by many states, as well as the federal budget deficit, haven't gone away. This is an election year, and it's reasonable to expect bad legislation to pop up during lame duck legislative sessions when legislators have nothing to lose. It's also reasonable to expect this election will be interpreted as a mandate for legislators to "do something" next year that just might severely impact your clients and your business.

The threat from opportunist corporations that can't otherwise deliver marketable solutions hasn't abated either. The company behind the amendments to Ohio HB 487 has no fewer than five lobbyist firms working on its behalf in Columbus right now. We also know that the same company presently employs consultants in California, Florida, Michigan, and Texas, to name just a few.

The important thing for you to remember is that you're not alone. Your association is with you. NTSAA has been successful in its advocacy efforts so far but we need you to get involved today! Become active in promoting and preserving the good you do for your clients, proudly share the benefits of our industry, and become part of the answer to the challenges we face. After all, the politicians and special interests are only trying to create a new answer for a problem you've already solved—how to help people save for retirement.

Our opponent in this fight is a giant multi-billion-dollar, Fortune 100 corporation. NTSAA is an association of individuals. Alone and separately, 403(b) advisors don't stand a chance. But as members of NTSAA they've been able to muster resources that have successfully subdued the giant in five states so far.

But the fight isn't over. More individuals means more resources. So I encourage you to go to www.savemy403b.com to learn more about the NTSAA advocacy initiative. You'll find up-to-date information about legislative activity in your state, get access to our policy points and white papers, and see our toolkit for successful grass roots campaigns. Most important, become engaged by giving to NTSAA PAC, attending our web meetings, and joining us at our national conference in Chicago in June 2013.

Chris DeGrassi is executive director of NTSAA in Arlington, Va.

LESSON PLAN

BY
DAN YU

CRASH COURSE

Making the case for retirement planning isn't always easy. Sometimes having the right research at hand can help.

All of us have to take more responsibility for our retirement. There are fewer and fewer of the old, traditional DB plans that pay you for the rest of your life. So the 403(b) and the 401(k) plans were created and require us to take the responsibility to contribute and have a basic understanding of how to invest.

About two or three years ago we were invited to come in and speak to administrators and teachers in a local school, grades six through 12, in New York. The prospective audience ranged from near-retirees who were approaching their 60s to new teachers in their early to mid-20s. There was a population of potentially 70 participants, about 40 of whom signed up. The school paid for the service, a three-hour crash course in basic financial planning with an emphasis on what to do with their 403(b).

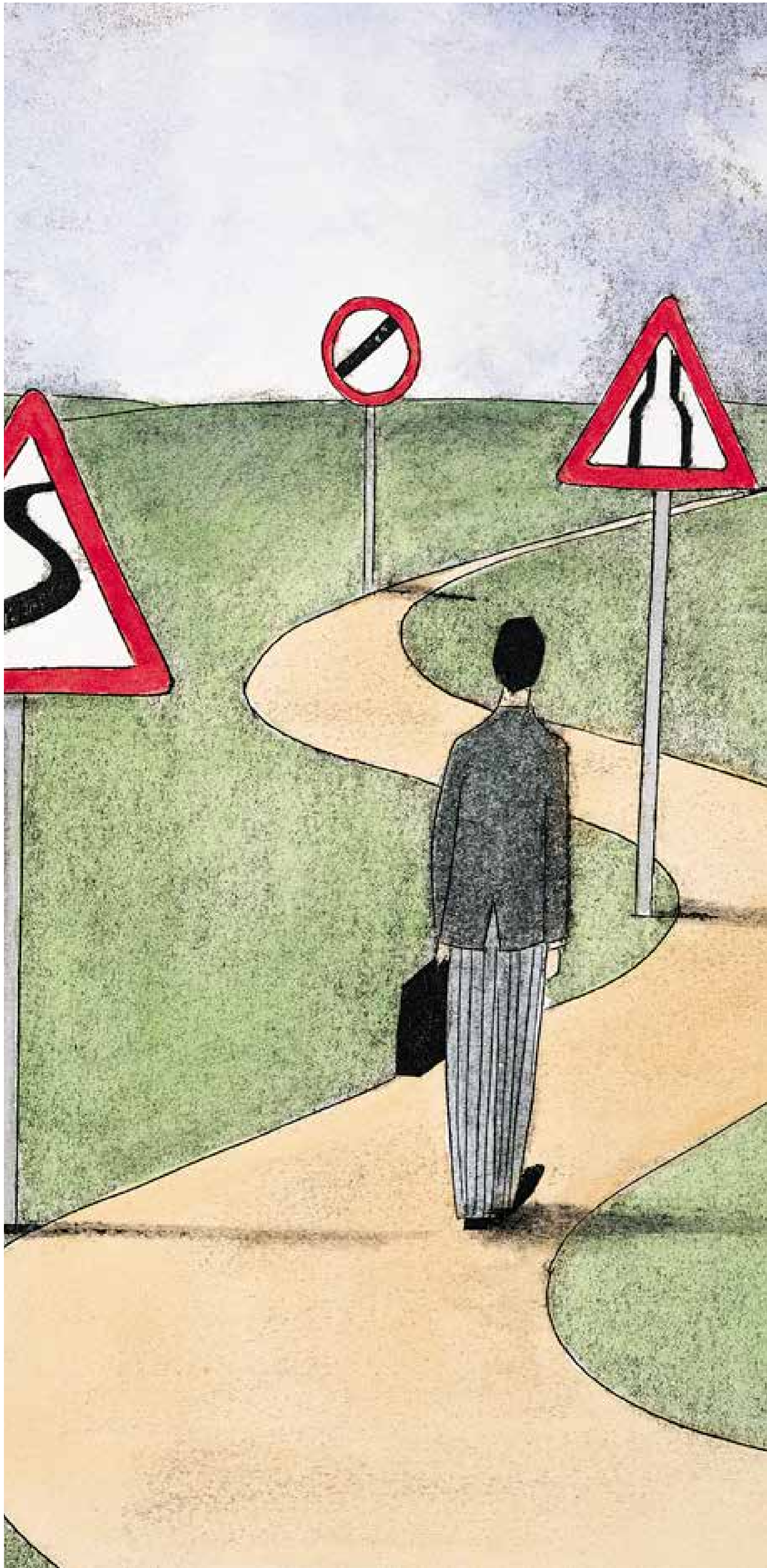
One of the things the administrator wanted us to cover was a plain vanilla education on what's important, not just in 403(b) plans, but in financial planning in general. He didn't want us to sell anything. It was a fee-for-service arrangement, based on a rate per hour. We gave them the allotted time and didn't charge for follow-up because it's hard to get everything done in three hours.

This was done in one-on-one sessions. We asked them to fill out a questionnaire collecting as much information as possible before our meeting. I digested the information in preparation for the meeting and came in with perhaps some shortcomings I'd seen and answers to the questions they may have brought up in the questionnaire.

We walked through the choices they have. They were with one of the larger companies providing 403(b) plans. Their funds are usually on the higher tier and their fees are reasonable. But obviously if they were doing a wonderful job of educating their clients, we wouldn't have been asked to come in. So we created a plan for each of them. We talked about what their cash flow needs were, basic budgeting, and any intermediate or short-term plans, and we blended in the discussion on retirement planning. What should I do with my 403(b)? Is there a matching contribution? How much should I contribute?

Someone starting out, 25 or 26 years old, may not have enough disposable income. But we tried to show them that if there was a matching contribution of up to 4 percent, if they contributed 4 percent, they're essentially doubling their money. It's almost a no-brainer. And when I show them the after-tax results, it means they take home maybe $30 or $40 less per month—squeeze it out, pack a lunch a couple times a week, make it work—10 years later they've accumulated $100,000, assuming a fair rate of return. As we illustrate this out, it drives home the power of compounding interest, especially when it's a tax deferred 403(b) plan.

When we talked to the older



population, we talked about how to reallocate to prepare for their retirement three or four years from now. They can't be taking as much risk as they did when they were 25 or 30. Now they're almost 60 and they need to have a few more of their dollars in the fixed-income space. That money needs to be there for them and be able to pay out for the next 20 or 25 years.

The school felt great about it. They actually referred us to another school but, because of budget cuts, it never took off. This wasn't a cookie-cutter type program, and not typically what we do. But my staff and I got a lot out of it because we really saw the impact on these clients. They really took what we had to say and put it work so it helped them financially. Our work also so impressed the school administrator that he asked us to do his own financial planning, separate and apart from what the school paid for.

Dan Yu is managing director of EisnerAmper Wealth Advisors in New York City.

BY
LAUREN BLOOM

PROFESSIONALISM AND THE DUTY TO SUPERVISE

Keeping a close eye on a subordinate's work can help keep you both out of trouble.

Benefit plan professionals provide a wide range of services involving the interests of plan sponsors, participants, their beneficiaries, regulators, and, in some instances, the general public. They often collaborate with other professional advisors whose fields of expertise complement their own, relying on their work as the basis for their own conclusions and recommendations.

Additionally, unless they work as sole practitioners, benefit plan professionals frequently also serve as supervisors and managers, delegating sometimes significant portions of complex assignments to junior colleagues while helping them grow into more senior roles. Training and managing employees is a tremendous responsibility that can present significant professionalism pitfalls for professionals who fail to provide their subordinates with adequate supervision.

Here's an example. Imagine Andrea Baker, a 403(b) advisor and NTSAA member who owns and operates a smallish consulting firm. She has among her four employees a junior analyst named Charlie Davis, who is fresh out of college and not yet an NTSAA member. Andrea hired Charlie approximately 18 months ago to do investment market research and put together a proposal for a church plan. Charlie is unfamiliar with church plans but eager, and Andrea has been very pleased by his enthusiasm for the work she gives him.

Busy with other matters, Andrea lets Charlie work essentially unsupervised, allowing him two extensions of time to finish the proposal. Andrea waits until receiving his final draft to review Charlie's work, which seems satisfactory. She then submits the proposal to the client under her name. Only later, after talking to Charlie and looking over his research notes, does Andrea discover that the inexperienced Charlie failed to take into account several secondary but important factors that probably would have prompted her to amend the proposal. Six weeks later, the client realizes the deficiencies in the proposal and goes with another firm.

Will Andrea be able to explain away the loss of business by claiming that she relied on Charlie, a non-NTSAA member, to provide her with solid research? Given that Andrea is Charlie's boss, the answer may very well be no.

As an NTSAA member, Andrea is bound by ASPPA's Code of Professional Conduct. The Code requires, among other things, that ASPPA-NTSAA members provide professional services with "honesty, integrity, skill, and care." While one might argue that Andrea breached this obligation by failing to dig deeply enough into Charlie's research before incorporating it into her own work product, it may well be that Charlie's research and analysis looked

acceptable even after a reasonable review. Andrea's professionalism lapse may not be that she relied on Charlie's work but, rather, that she simply didn't supervise him closely enough while he was doing it.

The duty to supervise subordinates is expressly recognized in the ethical codes of the legal profession. That makes sense, considering the traditional structure of most law firms. After completing law school and passing the bar, young lawyers frequently begin a long period of apprenticeship as associates in law firms, practicing for several years under the direct supervision of more senior attorneys before finally attaining partnership. It's widely recognized that senior lawyers delegate responsibility to their junior (and less expensive) subordinates, so the legal profession requires those senior lawyers to take an active role in overseeing their junior colleagues' work.

The fact that ASPPA's Code of Professional Conduct doesn't explicitly address the duty to supervise doesn't mean that NTSAA members should presume that they have no such responsibility. It can be challenging for other benefit plan professionals to ensure that their work is performed with proper skill and care if they don't oversee their subordinates' activities. Careful oversight of employees' work can contribute tremendously to the overall quality of a finished work product.

The question that then arises, of course, is how much supervision an NTSAA member should give a subordinate, and the answer depends very much on the circumstances. The more experienced and capable a subordinate is, the less supervision is probably needed. The more complex or sophisticated an assignment is, the greater the likelihood that an NTSAA member will need to take an active hand in directing the work.

In Andrea's case, she knew that Charlie was enthusiastic but not experienced, so she probably would have been wise to err on the side of supervising him too much rather than too little. She would have been smart to hold a preliminary meeting where she instructed him on exactly what the proposal should contain and where to go for information. Checking in periodically to make sure that he was looking at all of the factors that would likely be important might have encouraged Charlie to research more deeply. Finally, Andrea probably would have benefitted from meeting with Charlie and questioning him closely about not only his conclusions, but also the methods he used, before incorporating his work into her own.

When benefit plan professionals are stressed and over-committed, it can be easy to let supervisory responsibilities slide. Nonetheless, it's important to make sure that subordinates are getting enough oversight to minimize preventable omissions and errors in their work. Taking supervision seriously is an excellent way for NTSAA members to safeguard their own professionalism.

Lauren Bloom is an attorney who speaks, writes, and consults on business ethics and responsible litigation risk management, and a contributing columnist for TheStreet.com. She is the author of the award-winning book, The Art of the Apology – How to Apologize Effectively to Practically Anyone *and the e-book* Elegant Ethical Solutions, A Practical Guide to Resolving Dilemmas While Preserving Your Business Relationships, *available through the ASPPA Bookstore. She can be reached online at Lauren@businessethicsspeaker.com or by calling (703) 585-0651.*

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BEST PRACTICES

BY
DEBRA L. WARNACUTT &
CHRISTINE P. ROBERTS

PREPARING FOR A 403(b) AUDIT

Audits are new territory for many 403(b) plan sponsors but being well prepared will go a long way toward helping them through the process.

In this series on 403(b) plan audits and compliance issues, we'll follow the fortunes of Worthy Academy, a tax-exempt private school covering grades 6 through 12. When it was founded in the mid-1970s, employees were permitted to maintain individual 403(b) annuity contracts or custodial accounts or contracts. Worthy later added matching contributions, adopted a plan document, and otherwise complied with applicable provisions of ERISA Title I, including annual filing of Form 5500.

Worthy's first task is to determine whether its 403(b) plan requires an audit. Although it seems like an easy question to answer, it's actually rather complicated. The general rule requires an audit if the plan has 100 or more participants on the first day of the plan year in question. Special rules apply when the participant head count fluctuates between 80 and 120.

For purposes of the head count, Worthy must count all employees who meet plan eligibility requirements. It must also count participants who've separated from the organization but still have an account balance on the first day of the plan year. Worthy had 125 participants as of January 1 (95 are contributing, 15 are eligible not contributing, and 15 are separated with money in the plan).

Another factor that complicates the audit determination is found in DOL Field Assistance Bulletin (FAB) 2009-02. FAB 2009-02 allows the plan sponsor to exclude certain contracts from plan assets subject to audit. A contract that meets all of these criteria commonly is referred to as a "pre-2009" contract. Plan sponsors may need assistance determining whether contracts satisfy the criteria. It's worth taking some time and effort to identify pre-2009 contracts, as it might allow the sponsor to postpone an expensive audit process for several or more years. This is because it may exclude, from its 100-participant head count, employees and former employees whose plan accounts consist only of pre-2009 contracts.

There's need for caution in this area, however, because participants (and related investments) that have been excluded under FAB 2009-02 may need to be re-included in the participant head count subject to the conditions explained in FAB 2010-01. FAB 2010-01 provides guidance on the scope and conditions for relief when contracts are moved to a new service provider, when final contributions are remitted, and when loan payments are forwarded. Your CPA, TPA, or RIA may help a sponsor to determine whether an audit is required.

Worthy isn't able to exclude any of the 15 contracts maintained by former employees. Even though they all predated January 1, 2009, none of them satisfied the criteria relating to "no employer involvement" because distribution forms require Worthy's approval.

Once a plan sponsor has determined that an audit is required, it must decide who will be the auditor's primary contact. This person should have a working knowledge of the day-to-day operation of the plan and be readily available to the auditor.

The next step is to assemble the plan documents and related records. This will include identifying all service providers and obtaining copies of the:

- plan document
- summary plan description
- auditor's package
- fidelity bond
- investment policy statement
- Form 5500

The sponsor will want to be familiar with these documents because once the auditor has reviewed them, the auditor will interview the sponsor's staff about its operation of the plan. This is done to develop an understanding of how the plan operates (otherwise known as the system of internal controls) and to identify risks of operational defects and/or misstatement of the financial statements. The auditor may also interview selected service providers, such as the TPA, based on identified risks and involvement with the transactions.

The auditor will also discuss the plan sponsor's fiduciary review process. It's important to identify all fiduciaries and to understand the services they provide. Sponsors are required to document their review of the services provided to the plan, the compensation paid by the plan for these services, and the changes to services or investment funds that were made or contemplated during the plan year. The new fee disclosure rules will substantially increase their responsibilities. Sponsors may consider engaging an RIA to assist them, especially if their plan offers unrelated investment funds.

Next, the auditor will visit the plan sponsor's office to examine personnel, payroll and other records of transactions that were reported during the plan year. The auditor will ask questions and obtain copies of records of specific transactions, such as participant loans and distributions. Sponsors can expect the auditor to spend time with the administrator, and possibly other staff members, to advise of the auditor's findings and to provide an opportunity to ask questions.

This article is the first in a series of three articles aiming to break down and demystify the plan audit process. Subsequent chapters will identify the most common operational and compliance defects that are found during the audit process, and will outline correction methods that 403(b) plan sponsors may use to resolve plan failures.

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BY
LISA DEPORZIO

OLD SCHOOL

As face time with teachers get scarcer, it's important to make the most of it.

As an agent with Kades-Margolis, I work in Western Pennsylvania north of Pittsburgh and cover about 12 school districts. Kades-Margolis has a unique relationship with the teachers union. We're partners locally, and I try to help with contract negotiations when they're looking at challenging issues with severance packages or thinking outside the box in terms of employer contributions to 403(b)s, flexible spending programs, anything that adds value to what's on the table.

It's a two-pronged approach—working closely with union staff members—the ones helping teachers locally—and also working in the individual school districts, trying to do workshop programs to educate the educators. For me, that's been the best way to create relationships.

I'm old school. I like doing it the old fashioned way, going into the building and meeting over duty-free lunches if I can. But I always ask for permission, going through channels and contacting local union leadership. These are active teachers who've taken on a leadership role in the association in terms of negotiating contracts and other things. They in turn provide access to the school. And since I've been around for 15 years I also know the administrators, too, so I cover both bases.

I do the typical school visits during the day. I always try to get on the agenda for in-service days, usually at the beginning of the school day. I incorporate the generic TSA educational presentation so all the employees are aware of how they work. I also make myself available for follow-up visits. Appointment and referrals happen naturally from that contact.

In this electronic age there's nothing like being there in person. But I've noticed over the years, compared with 15 years ago, it's getting more and more difficult to get face time. School personnel are torn in about a million different directions and don't seem to have the free time they used to have. Lunch time is really their only time and more and more of them are multitasking even then. We've been doing more workshop programs

We've been doing more workshop programs after school but that's tough, too. We try to make it short and concise...It's hard to get younger teachers to think about retirement.

after school, but that's tough, too. We try to make it short and concise, give them the information they need in half an hour.

One topic that's particularly popular is basic saving and budgeting. Really back-to-basics kind of stuff. If they're budgeting properly there's more chance they can set some aside for savings. And since they're so pressed for time, they appreciate the help in getting their finances under control. It's simple, easy to understand, and I get a lot of referrals from that session.

I currently service between 400 and 500 clients. Whenever I'm in a building I usually reach out to them if they're available to review their account. I try to come prepared so I'm ready if they can spare the time. Reviewing with current clients is probably 60 percent to 70 percent of my time.

Even after they retire they don't stop being clients. I tell all of my clients who are getting ready to retire that the planning has just begun. Once they retire we need much more frequent reviews because so many things have changed. When they're working things are usually pretty predictable. But once they retire things are all over the place. Risk tolerance is the first thing that needs to change.

It's hard to get younger teachers to think about retirement. I hate to be alarmist and say it's a crisis, but there are a lot of people burying their heads in the sand. There are changes in benefit structures in their school districts and stress on their pensions; they need to be thinking about these things. But I don't want to scare them so I'm struggling with what to say to get their attention. There are additional savings options out there and you really need to take a look at them. You can make them laugh by saying that nobody wants to still be in the classroom at 80 but I'm not sure they're really getting it. And you have such a short time to convey that message.

Lisa DePorzio is an advisor with Kades-Margolis in New Castle, Pa.

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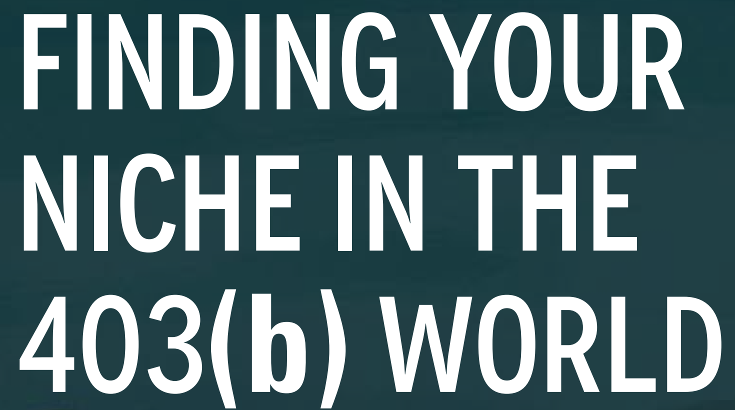

FINDING YOUR NICHE IN THE 403(b) WORLD

Higher education, nonprofits, and church plans offer a challenging world of new opportunity for advisors willing to the learn the ropes

BY JAMES E. ROWLEY

When you look under the hood of the 403(b) world you begin to notice many differences, some subtle and some obvious. And like most things in life, being focused pays dividends. This article will segment the market, help you to understand what's going on where, and what you might want to consider as you put your toe in the 403(b) pool.

The existence of multiple vendor platforms in one plan is foreign to the TPA and record-keeping world.

Each segment requires specific skill sets, particular competencies. Do you know yours? Do you know what each segment requires? Do you know the breadth of the opportunity? You should or become relegated to a world of mediocrity and confusion.

As Plato said, "A life unexamined is a life unlived." Good business sense says, "A plan without focus is no plan at all."

Five segments capture 99 percent of the 403(b) plans in the market:

- K-14
- Higher education and private schools
- Health care
- Assorted nonprofits
- Church and church affiliated plans

Subscribers to this publication know the K-14 market intimately and the challenges it faces on a daily basis. It's a world of annuity contracts and individual custodial agreements. As such, all approaches must understand this, something those in the 401(k) world don't entirely grasp.

Accordingly, the health care world has for some time closely mimicked the 401(k) world with omnibus platforms and trust accounting. In that world, a plan sponsor can move all plan-level assets from one platform to another with the stroke of a trustee's pen.

In the late '80s and moving forward, most hospitals and related organizations began to migrate from defined benefit plans to this newer approach. As a result, there's little opportunity beyond the normal competition you'd see in a more mature market.

For the balance of this piece I want to focus on those niches undergoing seismic shifts—higher education, nonprofits, and church plans.

IF YOU'VE SEEN ONE 403(b), YOU'VE SEEN ONE 403(b)!

Rarely are these plans alike. They may contain some combination of trust and individual accounts. There may be assets from three vendors ago. Some are ERISA; others are not even with the same employer. It's a free-for-all.

When the new regulations hit there was an initial wave of desperation as everyone scrambled to generate a plan document, file the appropriate forms, or see to universal availability. Things were beginning to settle down a bit—and then the audits began.

Because of the near impossibility of creating opening balances (remember, no one knew where all the money was) most accounting firms weren't willing to opine on the findings. Beyond this, though, the audit process uncovered many findings. 5500 forms weren't filed for many years, plan documents were out of date, there wasn't any fiduciary oversight, and employee notifications were sporadic or nonexistent.

This exposed a thin set of talent in the 403(b) world for the type of skill sets needed to remediate these issues. The rules were different enough that 401(k) administrators and advisors often were offering advice that wasn't correct—collective trusts being offered as investment options or lack of guidance on universal availability to name a couple.

Perhaps the saddest result of all was the suggestion that organizations move from a 403(b) plan to a 401(k). Forget the inherent difficulties in terminating a 403(b). The fact that there isn't testing on employee deferrals in a 403(b) was a huge advantage. The same is true for the additional catch-up provisions and five-year severance rules.

HIGHER EDUCATION AND PRIVATE SCHOOLS

This market accounts for the most assets. According to the 2005 Cerulli Report, this segment controlled 48 percent of these assets, the vast majority with TIAA-CREF.

For the most part plans of under $50 million were in a fixed TIAA annuity and variable separate accounts in CREF. Because most of these are proprietary choices of CREF, the plan sponsors often added outside vendors such as Fidelity, T. Rowe Price, and Vanguard. This dramatically increased the compliance and record-keeping complexity and made the audit process that much more difficult.

One of the great rude awakenings for the defined contribution world was the process for moving money from one platform to another. As mentioned earlier, this is usually done with the single action of the trustee. In the 403(b) world in higher education—and many other 403(b)s as well—this is done on a participant by participant election. So even though a plan sponsor might elect to have a new vendor provide investment products, significant assets will remain

with TIAA (or any prior vendor). Further, with TIAA's 10 percent a year limitation of withdrawals and transfers from the fixed annuity portion, that's guaranteed to last for at least that length of time.

Recently, TIAA-CREF began to work cooperatively with outside advisors. While the menu of services changes from plan to plan, they honestly are striving to improve the overall plan experience for both the sponsor and participant.

THE NONPROFIT WORLD

Essentially, there's no pattern here. Larger nonprofits may very well have installed a trust platform and rolled up the vast majority of assets. Most have not.

Smaller employers are all over the map. Many have outdated plan documents if they have any at all. 5500s were filed erratically. Few have any sort of documented due diligence/fiduciary process.

In our experience, it's rare to find a plan here in substantial compliance. Our engagements usually begin with a thorough compliance review and correction plan. This market only represents 6 percent of the assets but this is as much a function of neglect as any other factor. Participation levels are well below the other sectors even when a match is offered. Communication to participants is weak and average account balances are the lowest.

CHURCH AND CHURCH-RELATED PLANS

Much like the nonprofit segment, this area suffers from neglect. Many of the comments just above apply here, too, with one significant caveat—that most of these plans are exempt from ERISA. Unfortunately, we discovered that many of these plan sponsors think they're exempt from all regulations and are non-compliant on things such as timeliness of deposits and universal availability.

It's also important to know what type of church plan you are. Depending on your funding, you may need to test parts of your plan. Or perhaps you're operating a church plan under section 403(b)9 of the Code and would need a plan document. Again, we rarely see these plans in compliance, whereas a little attention can avoid problems.

SO WHERE'S THE OPPORTUNITY?

While there are many plans in the higher education market that can use the services of a quality advisor, there are many barriers to entry. As of this writing, it's quite difficult to be paid for assets that don't move to a new platform. While this can be done case by case (with the employer's approval) it's time consuming and not the general style of a retirement plan advisor.

Further, the existence of multiple vendor platforms in one plan is foreign to the TPA and record-keeping world. Solutions are beginning to emerge that will make this possible. However, the cooperation of all the moving parts is critical and not always the case.

The amount of assets involved and the average account balance for TIAA participants makes this an attractive place, so partnership with the right consultant can pay dividends.

For the nonprofit and church plan world, it's less compelling from an asset standpoint. On the other hand, this is a woefully underserved market. Most plans simply have platforms with little or no service. As an advisor or TPA, you can play a critical role if you have an efficient and easily replicated process. As noted earlier, an upfront compliance review is critical but with good employee education and a talented set of partners, these plans can become significant.

During this current budget crunching time, many nonprofits are consolidating and this also creates opportunity. These entities need help and there are few who can truly offer it.

TOOLS OF THE TRADE

In closing, this is a fascinating time to be in the 403(b) world. My initial reaction to the changes in regulations was that the 403(b) world would evolve into a 401(k) lookalike. Now I don't think so.

A few progressive record-keepers were able to envision a world of participants customizing their retirement account and have become their architects. In the future you'll see a proliferation of these platforms.

Second, there's a serious need for 403(b) compliance capability. The ability to review, repair, and correct plans is vital. To build further product on top of a poor foundation is a sure recipe for disaster and needs to be anticipated.

Third, education of the participants must be a core part of your strategy. The need to have individuals move their accounts to the better alternatives will never approach 50 percent unless you get involved directly at their place of work. Technology is nice but nothing garners assets like face time.

Finally, the fiduciary due diligence movement that's sweeping through the 401(k) world is a newborn in the 403(b) arena. Something as simple as an investment policy statement is rarely discovered. Fee disclosure will awaken some; your good work will do so as well.

A CLOSING THOUGHT

In my 30 years working in the nonprofit world I always find the employers genuinely care about their staff. Because of that, I further find they want to do the best and right thing.

Introduce the concept of best practice. Even though church plans, for example, don't need to worry about 404(a), they want to ensure that their staff has the same high-quality investments their for-profit counterparts receive. Be sure to show them the best way.

James E. Rowley is CEO of Lincoln Benefits Group in Fort Washington, Pa.

INCOME
AGE

Life Insurance for Living Longer

An Introduction to Longevity Annuities

BY WILLIAM P. HELD

The risk of outliving one's retirement income is mitigated by the judicious use of longevity annuities.

In early February, the IRS issued proposed regulations that will modify the minimum required distribution rules to facilitate investment of retirement plan account balances in longevity annuity contracts. These contracts are life annuities with the initial payment delayed until an older age (such as age 80 or 85) to mitigate the "longevity risk" of outliving retirement resources. Deferral of a portion of an account balance through investment in a deferred annuity payable after age 70 ½ runs contrary to the current minimum distribution rules. The proposed regulations attempt to strike a balance by providing an exemption from the minimum distribution rules for certain Qualified Longevity Annuity Contracts (QLACs).

Most discussions about investment advice concentrate on how a person's assets grow. The wise advisor knows it has to be balanced with a discussion of how those same assets will be utilized. How much is needed each year to maintain that person's lifestyle? Whereas a balance of $100,000 or even $300,000 in a retirement account might appear to be a lot, will it still look that large after withdrawals over the period of retirement? For people retiring in their 60s, that period of retirement may easily stretch for 25 years or more.

BEST ANNUITY AVAILABLE

This would be where longevity annuities come into the discussion. Longevity annuities are deferred annuities that allow a person to take a portion of their assets and buy a monthly benefit payable at some point in the future. The deferral period is designed to have the assets grow with compounding. It also allows for the monthly income to kick in later in a person's life at a time when a person is most at risk of outliving his or her life savings.

Whereas everyone knows that life insurance is the provision for living shorter than expected, longevity annuities can be looked at as the life insurance for living longer than expected. For an advisor to make a comprehensive review of a person's financial resources, longevity annuities would likely be a part of that analysis.

Annuities have been available to purchase from qualified plan assets as long as qualified plans have been in existence. What changed was when the DOL came out with its "best

annuity available" rule. This scared a lot of trustees about annuity purchases given their potential lingering liability. Trustees weren't entirely comfortable worrying that the annuity vendor they selected would be there to pay every last benefit.

403(b) plans are more unique in this regard. As there is no trust, there are no trustees to consider their fiduciary responsibility. Each person is making his investment decisions for himself. Being able to choose from all options on the table presents the entire investment picture. Only by looking at all of the choices can people make the best choices. And it would seem longevity annuities would be one of those investments they should have a choice to make.

For example, a woman aged 65 at retirement with an account balance of $100,000 would typically be advised to take out only 4 percent, or $4,000 a year while letting the remaining balance grow with interest, which she hopes keeps up with inflation. Should she decide to annuitize the entire balance, she might receive about $6,200 per year for the rest of her life. This amount, however, will never grow, so while it's greater now, it will diminish in relation to inflation throughout her retirement. The strategy also provides for no financial flexibility should a major expense arrive. And should she die prematurely, there would be no remaining balance to leave to heirs.

LIMITATIONS

Using a longevity annuity provides other options. An annuity starting at age 80 for this retiree might cost only about $24,500 to provide the same $6,200 per year that would result from full annuitization. The remaining balance of $75,500 can provide for whatever financial flexibility she needs. And armed with the knowledge that the long-term has some protection, she likely has greater confidence allowing for greater utilization of her remaining account balance. A similar annuity starting at age 85 might only cost about $12,200 and thus allow for even greater financial flexibility, though for an extended period before the annuity starts.

One potential limitation to longevity annuities is the proposed regulation itself. The limitations presented for total premium allowed to be invested in the annuities may turn out to be less than the desired amount. If this is so, then at least a partial answer will still be better than no answer at all.

The effective date of these regulations is the later of January 1, 2013 or publication of final regulations. Note that these proposed regulations are not a basis for reasonable interpretation of the final regulations, so we can all sit tight until final regulations are in place before we analyze our first QLACs.

William P. Held, MSPA, EA, is a consulting actuary in Chicago, Ill.

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ADVICE ONLY PLEASE

BY JOHN HAUSERMAN

Providing unbiased financial education, while leaving the administration and investment advice to carriers, is this firm's secret to business success.

William (Bill) Leeb, a Certified Financial Planner, president of Financial Council Incorporated (FCI), and second-generation advisor began his career with a focus on the 403(b) and 401(k) market places.

"We saw that the traditional pension had become an endangered species," says Leeb "while the payroll deduction marketplace was still in its infancy." He and his father found an audience with several local businesses and began to develop a service model to accommodate the unique aspects of the industry niche.

"We are first and foremost a planning firm and so we used that approach," says Leeb. The firm developed a series of workshops and hired a few advisers who were armed with laptops and some basic financial planning software. "The employers afforded us both space and time to make the presentations (during company hours) and during that time we would offer a personal financial planning session at no cost. Participation rates shot up for almost every company that we worked with. The success of our enrollment process enabled the highly compensated to increase their contributions, and they were thrilled."

The delight of upper management resulted in a very positive development, namely the prospect of doing business with the senior executives. "I noticed right away that

this was where the real money was," notes Leeb.

Indeed it was. FCI had to bring on yet more advisers, increase office space, and beef up the administrative team. For his part, Bill was able to spend the vast majority of his time working with the highly paid or even the business owner, and "after 10 years of hard work became an overnight sensation."

However, according to Leeb, real success didn't occur until "we caught the tiger by the tail." The group landed a payroll slot with the largest private employer in Maryland, a prestigious university/hospital. The institution was divided between the hospital and the university, and they only had a slot at the hospital, which had several other carriers, a non-matched 403(b), and a very transient work force.

This was decent business for the firm, but it was also very time consuming. After conducting an efficiency study, Leeb noticed that IRA rollovers (from retiring staff) generated higher revenue with a lot less headache. "We had created our own RIA and were charging a fee for assets under management," says Leeb. "Since our focus, and indeed, value proposition was on planning it just seemed to make sense; it put our interest on the same side as the client."

Eventually the firm gave up the payroll slot and focused exclusively on providing workshops to the rank and file as well as senior management. They quickly confirmed their operating assumption, which was that the employees would appreciate the unbiased advice that only a non-carrier could provide. This was a win-win, as workshop attendees would typically sign up with one of the carriers or increase their existing contributions.

"We're very pro-payroll reduction; we tell people flat out that if you're still working you should not invest with us—use your 403(b)," says Bill. In addition to the tax advantage, FCI points to the true benefit: the forced discipline that comes with the payroll scenario.

Their sessions span the entire career cycle and culminate with a weekend-long special event for those who are in the final stages of preparing for retirement. According to Bill, their sessions are never about selling or product pushing; they're about education and relationship building.

"They really get to know us and become comfortable with who we are, so when it comes time to retire they come here first." Leeb says that this model has proven very successful for FCI, enabling them to focus on what they do best—financial planning—while never having to get bogged down with payroll sign-up issues. How successful?

Leeb and two fellow advisers, along with a support staff of seven, manage more than $350 million in client assets!

John Hauserman is president of RetirementQuest Wealth Management in Marriottsville, Md.

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AN INTERVIEW WITH DESIREE KELLEY

Desiree Kelley works for the Sonny Detillier Agency in Lutcher, La. A transplant from the pharmaceuticals business in 2007, she's relatively new to the 403(b) field and is the kind of young advisor that many agencies and companies are interested in recruiting. *403(b) Advisor* recently spoke with Desiree to find out what her experience in the business has been like so far.

403(b) ADVISOR: HOW DIFFICULT WAS IT TO BREAK INTO THE 403(b) BUSINESS?

Desiree Kelley: I started in August of 2007. I had unfounded confidence that if somebody else can do it, so can I, so I gave it a try. The learning curve has been steep and I'm still on it; every day I learn something new. Our agency takes pride in knowing all about the Louisiana teachers' pension system, so not only did I need to learn the language of finance, I also had to learn the nuts and bolts of the state retirement system for teachers.

WHAT ATTRACTED YOU TO BEING A 403(b) ADVISOR?

I like that we market to educators, intelligent consumers. I also like talking to teachers because the majority of my clients are women. I like to encourage them to start saving money on their own instead of expecting that their husbands will take care of it. There's a lot of industry in our area and many of the husbands have nice 401(k) packages. I remind my teachers that the 401(k) replaces their husbands' salaries, but they also need to think about replacing their own. In addition to their teachers' pension, they really need to be saving some money on the side. I like that women are now taking the initiative to be more proactive about their finances.

WHAT'S IT LIKE BEING A YOUNG WOMAN YOURSELF IN THE FINANCIAL SERVICES BUSINESS?

Being female could be seen as a disadvantage because we're still a minority in the finance industry. But as I said, most of the young teachers I deal with are female and for some of them it's good that they see someone like themselves talking about money.

Being young? Well, I just turned 40, so I like to think that I'm still relatively young. That might work against me for some people, but for the relatively young female I'm perfect. Not every personality clicks with everybody.

WERE YOU ABLE TO TRANSFER SKILLS FROM THE PHARMACEUTICAL BUSINESS?

In pharmaceuticals you have to be very aggressive and tenacious. We had to approach doctors wherever we found them—in the parking lot, in the elevator, in the cafeteria. Instead, the Sonny Detillier Agency chooses to let the teachers come to

New Blood

Not all companies are interested in recruiting young advisors into the 403(b) business, but those that are seeing it as a perfect market for people just starting out in the financial services arena.

"I think young advisors can do very well in the education space," says Don Wiley, vice president, education markets division at Security Benefit. "Maybe better than they can in some other markets. The industry average for a rep making it is one out of every 10 reps. But if a rep is working in a dedicated market like education, the odds go up dramatically. One of the biggest concerns for young reps is who they're going to call on and where will they get prospects. I think the education market helps young reps overcome those hurdles."

Security Benefit provides a profile of what they're looking for in a rep to its network of independent broker dealers throughout the country. Once potential candidates have been identified, regional vice presidents interview them to assess their level of interest. If the interest is strong, they start the process of identifying a territory and providing training. Security Benefit University is a two-day comprehensive program that takes them right through prospecting, marketing, and the sales education process. After that, the RVP helps them develop a business plan, explains Security Benefit's relationship with the NEA, and helps them set up meetings with business officers, local presidents, and other key people.

Sometimes, according to George Webber, general sales manager and director of financial education with Kades-Margolis, there's such a thing as having too much experience.

"If their experience is dealing with doctors and attorneys who take an analytical approach, that can be tough when dealing with teachers," says Webber. "Teachers are good at what they do but most don't know much about finance. For us to relate to them, we need to illustrate in much the same way they illustrate to their students. If a recruit can't figure that out, that can be a detriment. We don't want to recruit advisors into our system who aren't a good fit."

Kades-Margolis uses a testing program called RightPath to build a profile of the most successful candidate, specifically someone who's a self-starter, self-confident, wants to learn, is coachable, and isn't afraid to try different approaches. It's also helpful in predicting where potential conflicts might lie and developing a strategy for dealing with them.

"I tell young advisors that there's no better place to start a career in financial services than in the education space," says Wiley. "I did it myself when I was younger. You can identify most of your candidates and prospects in pretty much one place, in a school district. And if you do a professional job you'll quickly become a valuable member of the school community. Through word of mouth and doing financial literacy workshops, you can meet key people in the community. I've seen so many young advisors who had a passion and a work ethic but didn't have a market to work in succeed tremendously in the education marketplace."

us. We have meetings where we explain what we have to offer and I spend the next day in the teachers' lounge. We assume that if they're interested they'll come and talk to us. So I actually had to tone it down a little bit. Which was fine with me; pharmaceuticals was a little too aggressive for my personality.

WAS THERE A POINT IN YOUR LEARNING CURVE WHERE YOU THOUGHT MAYBE YOU'D MADE A MISTAKE?

Absolutely. After the first six months. But I had to study and get my Series 6 license, which took several months in the library. I'd already invested so much in licenses and education that if I'd quit then I'd have owed money. And about that time I got a call for some part-time pharmaceutical work, which is what I originally thought I'd go back into. But I decided to keep going. It's very slow to start, and there's not much money at first. But you have people who are depending on you and expecting that you'll be back. I didn't want to give up so early and just throw that away. I had a sense that this was going to be a good career.

WHY DID YOU BECOME A MEMBER OF NTSAA?

Jody [Detillier] encouraged me every year to go to the NTSAA meeting and be a member. But I was so new and still learning and, quite honestly, not making a whole lot of money, so I didn't. The Orlando meeting in 2011 was the first time I went and I found I really enjoyed it. So much of when you first start is about confidence; when I went to the meeting I learned a lot about industry practices and best practices of other agencies, and I think that really helped my confidence.

There's even an advantage to being new in the business. I didn't start out knowing the language of finance. I didn't talk in acronyms and assume prospects or clients know more than they do. In fact, we were

on a pretty even playing field and I was better able to communicate with them on the same level.

But I'm also studying for my TGPC. I may wish I had 20 years' experience that I could draw on but I don't. So I depend on the TGPC to enhance my experience and lend me some authority and credibility.

WHAT'S A TYPICAL DAY LIKE?

There isn't a typical day. A couple times a week we go into schools and do a meeting, then meet one-on-one with teachers in the lounge. When I'm not doing that, there's always follow-up work and administrative tasks. I also follow up on their non 403(b) needs; they may need an IRA or they're saving for their children's education. And there's always more learning to be done.

IS IT DIFFICULT TO GET TEACHERS TO THINK ABOUT RETIREMENT?

I've had so many people close to retirement tell me that they wish someone had told them to start saving earlier. I tell the older teacher to do that for somebody else, be that mentor, pass it on, because it's so much better coming from you than from me. They'll listen to you.

At the same time, I think teachers' financial sophistication is improving. I'm always encouraged when I see young female teachers who just want to learn about how the program works, how they should pick their funds. More and more young people are being more proactive rather than just responding to what someone told them to do. I think that's a good thing. Then we can come in and give them as much information as we can without overwhelming them, because that can happen, too.

WHAT ADVICE WOULD YOU GIVE TO ANOTHER YOUNG 403(b) ADVISOR?

Learn as much as you can but don't try to fake what you don't know. Tell clients and prospects you'll get back to them with an answer and do it quickly. It's all about building trust but you're not going to know everything when you first start. So start out by being honest about what you do and don't know and you'll build that trust even though they see you haven't been there for 20 years. This isn't a good industry to try to wing it.

I have about 420 clients, most of them small. We enroll teachers who contribute as little as $100 a month but it doesn't matter. The client who puts away $25 a month today may be putting in the maximum 20 years from now. We'll have 20 years of trust behind us by then and they'll have more disposable income.

I just want to keep on doing what I'm doing. I want to be the person in my parish that people associate with 403(b)s, providing a service and encouraging them to save in their employer's program.

BY
ELLIE LOWDER

ONE-ON-ONE IS NO. 1

Personal contact with an advisor can help make the difference between a comfortable retirement and coming up short, no matter how the advisor is paid.

I've counted at least 15 studies by various sources that zero in on the important benefit of the financial advisor in a successful retirement plan. In general, the studies reveal when participants use the services of a financial advisor face-to-face, it results in greater participation in the plan and a better investment result.

One of the most recent such studies is provided by LIMRA (a consulting and professional development organization) and reported in the July 23, 2012 *Financial Planning News*. Of importance in that study are the following facts:

- 61 percent of consumers working with a financial advisor make contributions to a retirement plan, versus only 38 percent of those not working with a financial advisor.
- 71 percent of those working with an advisor express confidence that they're saving enough for retirement versus only 43 percent not working with a financial advisor.
- People who work with an advisor are more likely to save at a higher rate than those who don't—61 percent versus 36 percent.

Another study (2012 Lincoln Retirement Power Research and Matthew Greenwald & Associates) reports that more than 71 percent of participants "value one-on-one meetings with professionals" and concludes that plan sponsors should "choose a retirement plan provider that offers on-site support" as "the best way to motivate participants to take actions that boost their retirement readiness."

Another study of 401(k) plans sponsored by 12 mid-size Midwest firms reveals that participants receiving individualized financial advice held an average of 8.67 funds and account balances of $107,558, versus 4.98 funds and balances of $44,178 for those not receiving advice. The study also found that 51 percent of respondents want one-on-one advice, while 23 percent prefer an online tool.

A different study (conducted by the Principal Financial Group and reported on in the July 11, 2012 *PlanSponsor*) shows us that those using one-on-one meetings with a financial adviser contributed at a higher rate and increased those deferrals more frequently. The compelling result reported in the study was that those participants enjoyed accounts with $242,000 more at retirement, some 69 percent more, than those who didn't receive one-on-one assistance from an advisor.

Clearly, employees differ in their needs, which demonstrates the importance of offering more than one model to increase participation in their retirement plan.

HOW SHOULD ADVISORS BE PAID?

Different types of advisors may be necessary to meet the needs of different employee populations. Some examples:

Low-income employees (*e.g.*, beginning teachers, custodians,

bus drivers, cafeteria workers) will generally need help getting started in their savings plan [whether 403(b) or 457(b)] and guidance on the affordability of making contributions. In general, fee-based financial planners don't target this group, which means that commission-based advisors will need to fill the gap.

This brings to mind a high school shop teacher I worked with many years ago. Getting the appointment was challenging to say the least. Harry, in his early 50s, had three young children and a non-working spouse. He freely acknowledged the need to save for retirement, but said, "I just can't afford to reduce my take-home pay, Ellie, and I'd be embarrassed to waste your time."

He, his wife, and I sat down at his kitchen table and looked at his tax returns for the past three years. Once I discovered a consistent $2,000 annual tax refund, I managed to convince them that they needed to give up a portion of that refund so we could redirect it to a 403(b) savings plan. Together, we used the form W-9 (which I always had in my sales kit) to correct the over-withholding of federal income taxes. The end result was a tax refund of only $1,000 (he wouldn't relinquish all of it) and a beginning contribution of $1,200 per year with the same level of take-home pay.

When we finished, he asked how much I would earn on the sale. When I told him I'd receive $5 per month (5 percent commission), he attempted to pay an additional fee because of the careful attention I'd paid to resolving his need to save for retirement. I declined, of course, but I saw him every year thereafter, which resulted in increased contributions and a more comfortable retirement for him and his wife. Harry sent many referrals my way through the years.

Some employees save consistently, amass large amounts in their accounts, and feel a need for education on how to invest for optimum results. While this need can be met with commission-based advisors, it's more often met with fee-based financial planners.

Such employees see the value of asking for help in managing their investment choices and have no problem paying a percentage of the assets they've accumulated for that help.

A June 2011 study conducted by Cerulri Associates tells us that, of 7,800 participants included in the survey, 47 percent of investors would rather pay a commission than a fee based on assets. The survey reveals that 27 percent would prefer to pay a fee based on assets. According to Ira Hammerman, general counsel for the Securities Industry and Financial Markets Association, those who trade only five to seven times a year may be better off paying a commission than a management fee.

This information should encourage plan sponsors to make more than one business model available to their employees since the studies clearly tell us that one size does not fit all. There is not only room for fee-based planners and commission-based advisors, there is clearly a need for both. There is also a need for fee transparency to answer the question "what am I paying for the services I receive?"

I hope that NTSAA's work in developing a fee transparency template for employers who sponsor non-ERISA plans will help in the important disclosure of those fees versus the services provided.

Ellie Lowder, TGPC, is a consultant with TSA Training and Consulting Services in Tucson, Ariz.

BY
SARAH
SIMONEAUX

BRIDGING THE GENERATION GAP IN RETIREMENT SERVICES PART 2

When it comes to learning, each generation has its own way of interacting with technology, and that interaction is crucial to business success.

Part 1 of this series outlined the different generations working in retirement services. Businesses are faced with unique opportunities and challenges resulting from the interactions of three or four generations working side by side. One of the major challenges will be the knowledge transference required in such a knowledge-intensive business. Rapid technological change combined with the need for sophisticated customer service will make collaboration across the generations essential to a successful business model.

As part of the retirement services profession, what do we need to change in our perception of the generations, approaches to training, technology, and working with younger clients? How can we foster a knowledge-sharing environment that has the generations working together effectively and efficiently? What can we do to help the various generations in our offices get along?

GENERATIONAL PERCEPTIONS OF THE WORKPLACE

Approach to authority is one of the areas where the different generations diverge. Radio Babies were taught to respect authority, while Boomers learned to question it. For the most part, Gen Xers ignore authority and don't like to be given orders. Millennials actually respect authority, but they expect the respect to be mutual. Millennials need guidance and structure and get along well with their elders and actively shop for mentors.

A Boomer may feel it's disrespectful if a Millennial speaks with improper grammar, while a Millennial may feel that it's disrespectful when a Boomer points out that the Millennial is inexperienced and young enough to be his or her child. It becomes evident that even our definitions and perceptions of respect are different across generations.

The older generations tend to think the younger generations have no work ethic. Work ethic can no longer be measured solely by how many hours you spend in the office; it's being redefined in terms of results produced, with less focus on how, when, or where the work is done.

Gen Xers and Millennials have a strong work ethic when it comes to quality standards, getting the job done, and contributing to the company's success. Work/life balance is very important to them and they can demonstrate to Boomers that working long hours isn't necessarily the best way to inspire creativity and solve problems, especially after seeing their parents work long hours away from home. Radio Babies and Boomers should keep that balance in mind when they set schedules and expectations. Don't assume that if employees aren't in the office, they're not thinking about work. Millennials are known to surf the web for hours seeking solutions to problems, and they don't mind as much as Gen Xers

do if they're contacted after work hours about a work issue. Millennials thrive on constant connectedness via cell phones, text messages, and social networking.

KNOWLEDGE AND TECHNOLOGY

The two greatest generational challenges in the workplace today are technology and knowledge transference.

Technology is pervasive, constantly evolving, and changing the way we connect with our coworkers and our customers. For all Millennials and most Gen Xers, even a fairly high-tech workplace is a step backward from what they're accustomed to in their personal lives. For Radio Babies and Boomers, however, that same high-tech workplace may be a considerable leap forward from how they operate outside the office.

The technology gap remains one of the most challenging to bridge, and it will continue to widen with technological innovations. The older generations understand that technology is a great tool to access data and process transactions, but they're not as quick to see how it applies in all aspects of the business. Gen Xers depend on technology to make them more productive. Millennials especially rely on modern technology to fill in their experience and knowledge gaps, to solve problems, to interact, and to stay fully engaged in their work.

However, increased technology in the workplace can lead to increased security risks. Technology policies must be established and properly communicated. Gen Xers and Millennials are all too familiar with debates over technology (*e.g.*, violent video games, inappropriate Internet sites, illegal media downloading), but since their productivity and motivation hinge on the ability of their employer to meet their technological expectations, understanding the reasons behind any technology restrictions is critical to their acceptance of those policies.

While technology plays a critical role in shaping a business, human capital is by far a retirement services company's greatest asset. Transferring knowledge from generation to generation within the workplace is just as important as it is at home. Many Radio Babies and Boomers hold the key to years of industry experience, law changes, internal processes, and customer relationships that enhance the company's ability to operate. However, highly skilled Boomers are accustomed to control and power that stems from their knowledge and access to privileged information.

To successfully transfer that knowledge, Boomers should agree to share the information freely through knowledge databases that can be used to make the knowledge transparent. Knowledge transference can be threatening to Boomers, especially if they're not great masters of technology, because it can create a feeling of minimized importance. However, impending retirements, as well as more frequent job changing among younger generations, make a culture of knowledge transference imperative in today's workplace.

One solution to the knowledge transfer challenge is to create a two-way mentoring program that provides opportunities for the older generations to transfer technical knowledge and relationship experience to the younger generations, while the younger generations mentor the older generations on technology. By understanding more about Twitter and Facebook and wikis, the older generations can begin to understand how social networking and "bottom-up" self-evolving information systems can apply to the workplace. Mentoring opens up the channels of communication and sets the stage for other types of collaboration, helping to bridge the generational gaps.

Job shadowing is another technique frequently used to transfer knowledge across generations. These types of programs can help bridge the technology and knowledge gaps, while at the same time help the generations to develop mutual respect for their individual abilities and contributions.

PROFESSIONAL DEVELOPMENT

If your workforce is starting to look like an age barbell, with lots of younger and older workers at either end and not many workers in-between, your firm may be experiencing generational issues. Generational issues aren't new to the workplace but rapidly changing technology makes that gap much wider today.

Acknowledging that generation gaps exist is the first step in managing the "age barbell." Managers who solicit input and involve employees from the various generations to help develop policies will create a positive, productive working environment. A structured brainstorming session before stressful times such as tax season can help to solve problems and bring the generations closer together. Millennials will often suggest ways to deal with data more efficiently, while asking for more cross-training and professional development. Boomers will offer to lead training sessions and provide insight into good client communication skills.

Structured brainstorming sessions centered around education will point out to management that different employees have different training needs, and some of those needs are generational. Credentialed employees need continuing education. Boomers need better technology skills. Gen Xers and Millennials are technologically savvy, but they need technical training and training in social skills.

The temptation in a difficult economy is to cut back on training dollars, but this strategy can be short-sighted when plan sponsors and referral sources are looking more than ever for services that provide value. Communication and relationships

Gen Xers and Millennials have a strong work ethic when it comes to quality standards, getting the job done, and contributing to the company's success. Work/life balance is very important to them and they can demonstrate to Boomers that working long hours isn't necessarily the best way to inspire creativity and solve problems, especially after seeing their parents work long hours away from home.

are at the heart of everything we do in business. Don't overlook the importance of education—especially in technical communication and relationship skills.

How training is delivered should take into account different generational learning styles. Boomers prefer traditional classroom style learning, with or without interaction. Gen Xers typically like self-directed learning through webinars or podcasts. Millennials like a learning environment that has many components—classroom, group activities, interaction, fun, and technology.

Technology is transforming education. The way Millennials access and process information is different from former generations, and it keeps morphing. Adapt your own internal training so it can appeal to all groups, and make outside opportunities for education available in a range of styles.

OUR CUSTOMERS AND OUR INDUSTRY

News flash! It's not just our employees who are generational. We're selling plans and services to firms that are also multigenerational. If we understand our own firm's generational differences better, we'll also come to understand our customers better, which can translate to increased profitability. Ask your own employees what's important to them in terms of the operation of your own retirement plan.

Gen Xers and Millennials are changing jobs much more frequently than the generations before them. Many of them are cashing out their assets from their 401(k) plans each time they change jobs. As an industry, we need to emphasize the importance of retirement savings at younger ages. Institutions are ramping up to retain these assets, and they're establishing rollover programs to keep retirement funds invested with them once employees leave their employer. Easy access to rollover options and single-step simple execution are a must.

Products and services that allow Millennials and Gen Xers to understand savings concepts, make decisions quickly, and even have fun (think YouTube videos) will be in demand. Millennials will also expect the technology to give them feedback on how they're doing, telling them if they're moving in the right direction with their retirement savings (the gold star approach).

Gen Xers and Millennials are the wealth accumulators and the wealth inheritors of tomorrow. The Boomers, on the other hand, are moving toward a decumulation stage. Providing services for Boomers' phased-retirement options and distribution strategies is another burgeoning market opportunity.

Sarah Simoneaux, CPC, is president of Simoneaux Consulting Services in Mandeville, La. and a principal of Simoneaux & Stroud Consulting Services. She is a former president of ASPPA and previously served on the Education and Examination Committee as a Technical Education Consultant. Ms. Simoneaux wrote the textbook, Retirement Plan Consulting for Financial Professionals, *which is used for the PFC-1 (Plan Financial Consulting - Part 1) course of ASPPA's Qualified Plan Financial Consultant (QPFC) credentialing program.*

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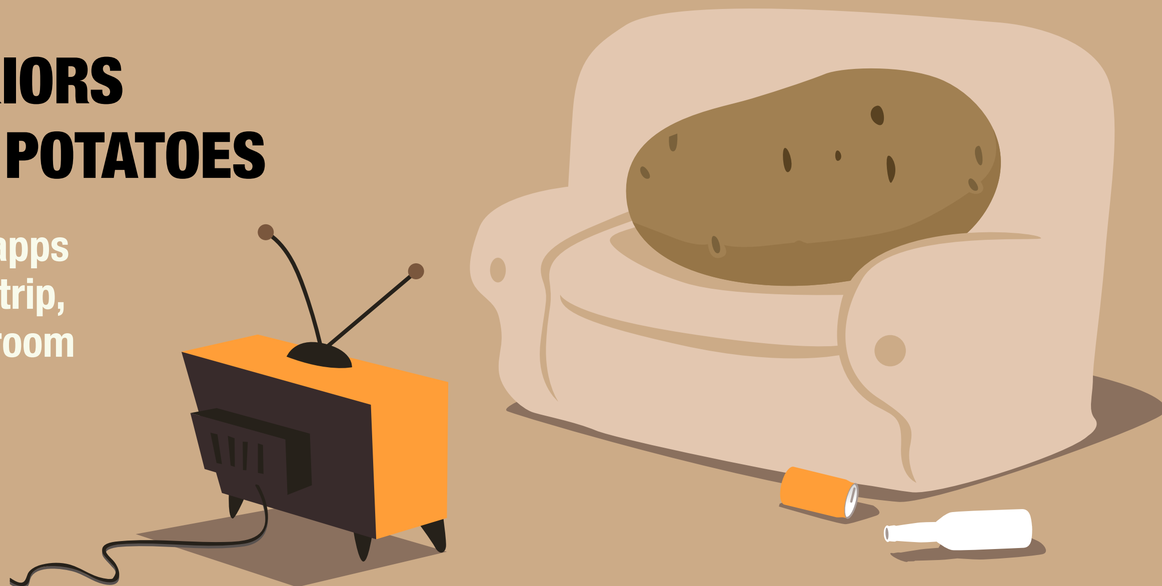

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2 MyFitnessPal, LLC
www.myfitnesspal.com

When print time comes for this edition of Cheap Technology we should be in the middle of football season, which to me means nachos, beer, wings, and high fives. So, we'd like to introduce everyone to an app that makes weight loss and calorie counting a little easier, and therefore more effective. Introducing Calorie Counter by MyFitnessPal. This free application was given editor's choice awards for lifestyle apps by both *WIRED* and *PC Magazine*, and deserves it. The back-end database has more than 1.9 million food data points stored, which leads to amazingly fast data entry time on the food you eat as well as daily workouts. It's like pensions and physics in one—enter your caloric intake and caloric workout time, and presto, the app helps you lose weight. There's no better diet app—period.

3 iClickr
http://bit.ly/agCepT

If you make presentations with any frequency, you've experienced the joys of trying to get other people's remotes to talk to your laptop or realizing that you left your own remote in your other bag. Then there's always the issue of dead batteries. Those all become things of the past with iClickr PowerPoint Remote. This app allows you to control the slides on your laptop with your iOS, Android, and Windows Phone devices from anywhere in the room, even when there's no WiFi network.

Those of you who have been doing the app thing for awhile may be yawing as you think about all the other remotes available, but iClickr is more than a simple remote. In addition to advancing slides, it packs some other nifty features that allow you to:

- Make slide annotations that immediately show up on screen,
- View upcoming slides and presentation notes on your device, and
- Set a silent alarm so that your mobile device vibrates when you're close to the end of your time.

At $9.99, iClickr is one of the more expense apps. If you're an iOS user, there are separate versions for the iPhone and iPad, so you have to download (and pay for) the app twice to get it in both places. Even in that situation, you're still covered for less than $20, which is about the same price you'd pay for one of those cheapy remotes from your local electronics store.

4 PollEverywhere
www.PollEverywhere.com

You've got your slides and your cool new remote on your phone, and you're ready to present. Like many presenters, you decide to start out with a few questions for your audience. That show of hands will give you rough proportions, but it's hardly quantifiable. There's got to be a better mousetrap. There is, and it's called PollEverywhere. This system allows your audience to provide feedback American Idol–style, by texting in their response.

Create your account on the website, adjust a few settings, and presto! You have an online poll complete with codes and a text number. The system instantly tabulates the responses and creates a chart that you can view in your web browser or embed in one of your slides for your audience to see. You can even customize the size, colors, etc. to display exactly how you want it.

Pricing is based on the number of users on your account and the size of the audience you're polling. For a single user and polls of up to 40 people, PollEverywhere is available for the low, low price of free. For really large crowds of up to 20,000 people, it gets a little pricey at $1,400 per month. Then again, if you're regularly presenting to crowds of 20,000 people, you've probably already won American Idol and aren't too worried about the price.

For your next all-day or multiple-day business trip, do yourself and your clients a favor. Download all four of these applications today. Make your PowerPoint presentation using iClickr, include a PollEverywhere poll within the presentation, listen to an audiobook using Audible on the drive, and enter your calories and workouts into MyFitnessPal. Trust us, you won't regret it!

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BY
O.V. WILLIAMS
JR.

REDUCING DEBT WHILE SAVING FOR RETIREMENT

It takes discipline to get out of debt, so why not use that same discipline to save for retirement?

We use what we call a debt consolidation strategy in the 403(b) and 457 market. Basically, we help people appreciate that the federal government stopped subsidizing our borrowing mistakes after 1990, when Congress eliminated the deductibility of most consumer debt. Many people are having trouble with their consumer debt now so we take that same strategic process and reverse it. This technique depends on having a 403(b) plan that allows loans. Most plans that allow loans continue to pay interest on the borrowed funds.

We sit down with clients who have debt and use the Debt Analyzer Guide software to go through how much they owe and how long it might take them to pay it off. With a strategy in place, we look at their 403(b) program and see if it makes sense to set up a consolidation program. As they continue to contribute to their 403(b) account, we borrow from that account to pay down the debt. Once that debt is retired, we'll apply the dollars they were paying on the debt to their 403(b) account. If they're disciplined and stay with the process, it eliminates the debt and increases their tax-deferred savings.

How long it takes depends on the size of the debt, of course. Credit card companies are now required to put on the statement how long it takes to pay down the debt paying only the minimum amount each month. That helps people realize that, at that rate, they're not going to get out of it until they're 400 years old. Based on analyzing the amount they owe and their interest rate, it could take from three to 11 years to retire the debt. Based on this strategy, most debt can be retired in three to seven years. We find that people who use this strategy will accumulate three to five times more in their 403(b) plans than if they try to do it by making normal contributions.

I don't work with undisciplined people. I make it quite clear that in order for this to work they've got to stay with the plan. Disciplined people won't necessarily have to cut up their credit cards but they will have to manage their spending. Once the debt is paid off, the credit card is to be used only for necessities and any new balances should be paid off each month going forward. This obviously doesn't work for everybody.

We've been doing this for about 18 years and we currently have between 50 and 75 clients we're still working with on this program. Many of our clients who've been on this program are retired and no longer in debt.

O.V. Williams, Jr. is a principal with O.V. Williams & Associates in Daytona Beach, Fla. His email address is: Ov.williams@ingfp.com.

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2012 HIGHLIGHTS

- Expanded discussions of 403(b) plans, including plan termination rules, reporting & disclosure exceptions, Title I coverage exemption
- Expanded discussions of governmental plans
- Final service provider fee disclosure regulations issued 2/3/2012!
- 100s of new court cases and IRS/DOL/PBGC releases
- Final rules on participant-level fee disclosures and transition rules for initial compliance
- New guidance on electronic delivery methods
- Investment advice regulations
- Form 8955-SSA guidance
- And more!

EXEC-PECTATIONS

AN INTERVIEW WITH DR. EDWARD M. BRAND

CHOICE EQUALS PARTICIPATION

Dr. Edward M. Brand is superintendent of the Sweetwater Union High School District in San Diego, Calif. *403(b) Advisor* posed several questions to Dr. Brand about the district's 403(b) plan for its employees.

403(b) ADVISOR: BRIEFLY DESCRIBE THE SWEETWATER UNION HIGH SCHOOL DISTRICT.
Dr. Brand: The Sweetwater Union High School District serves more than 41,000 students in grades 7 to 12 and more than 25,000 adult learners. Located between downtown San Diego and the Mexican border, Sweetwater is the largest secondary school district in California.

WHY DOES SWEETWATER UNION HIGH SCHOOL DISTRICT PROVIDE A 403(b) PLAN FOR ITS EMPLOYEES?
It's important to give employees an opportunity to supplement their CalSTRS and CalPERS retirement system.

DOES SWEETWATER ISD PROVIDE ANY OTHER TYPE OF RETIREMENT PLAN FOR EMPLOYEES?
Yes, we also provide a 457(b) plan.

HOW MANY EMPLOYEES WORK FOR SWEETWATER ISD?
Sweetwater ISD employs approximately 4,696 teachers, administrators, and support staff.

HOW MANY ARE QUALIFIED TO PARTICIPATE IN THE PLAN(S)?
All employees are eligible to participate in the 403(b) and the 457(b) plan. We have no class exclusions.

WHAT IS THE CURRENT RATE OF PARTICIPATION?
Approximately 1,316 participate in the 403(b) or 457(b) plan, about 28 percent.

HOW DOES SWEETWATER UNION HIGH SCHOOL DISTRICT (ISD) PROMOTE THE 403(b) AND 457(b) PLAN TO ITS EMPLOYEES?
Employees are notified each year of their opportunities through benefit fairs, faculty meetings, and workshops. Summary plan descriptions are also made available. The Fringe Benefit Consortium assists us in providing educational workshops and information to our employees, along with the State Teachers Retirement System counseling office.

HOW MANY PROVIDERS ARE AVAILABLE FOR PARTICIPANTS?
There are 44 providers on the approved Master Vendor List.

HOW WERE THEY SELECTED?
Each vendor who wishes to participate must register with 403(b) Compare and must sign and abide by the informational sharing agreement with the Fringe Benefit Consortium/National Benefit Services (NBS).

HOW IMPORTANT IS IT THAT PARTICIPANTS HAVE A CHOICE OF VENDORS AND WHY?
We believe it's important that employees have a good selection of choices because each employee's retirement goals are different. Multiple TSA companies allow us

to offer an open platform without a governmental restriction on where members should invest their money. In our experience, removing vendors has resulted in a decrease in participation by our employees.

HOW HAS THE CURRENT ECONOMIC CLIMATE AFFECTED THE PLAN AT BOTH THE SPONSOR LEVEL AND PARTICIPANT LEVEL?

Today's economic climate is tough in every aspect. Districts have experienced severe funding cuts and been forced to take drastic actions including layoffs and pay reductions. Employees are nervous about investments as they watch their portfolio value swing. New investors express hesitancy.

DO YOUR EMPLOYEES HAVE ACCESS TO INDIVIDUAL ADVISORS?

Yes.

HOW DO YOU PROVIDE AND ENCOURAGE THIS ACCESS?

Employees select their own advisors. As a district, we don't endorse any particular vendor. Employees may look at the 403(b)Compare website for information. Advisors are required to comply with the district's rules.

WHAT IN YOUR VIEW ARE THE CHARACTERISTICS OF A GOOD ADVISOR?

Good advisors begin by offering their clients full disclosure about the services they offer and how the brokers make their money. It's important that brokers be more than just product salesmen. They should work to provide their clients with a full understanding of how the plan can address the client's financial goals, as well as a clear explanation of the plan rules and procedures.

A WEBSITE FOR THE TIMES

SAVEMY403b

"It's important for public school employees to have choices and the ability to work with the advisor they trust. The mission of **SaveMy403b.org** is to make sure this continues to happen."

-- Brian Graff, ASPPA CEO

THE THREAT:

State school districts will consolidate—*even replace*—existing 403(b) programs for teachers.

WHAT YOU CAN DO:

Visit **SaveMy403b.org** to get involved and to help keep choice alive!

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- √ White papers, Research and Analysis
- √ State Legislation Tracking Center
- √ Issue Briefs
- √ Blogs
- √ Contact Your Members of Congress

TAKEAWAY

Facts and Opportunities

BY E. THOMAS FOSTER JR.

Improved disclosure of 403(b) fees could create new opportunities for advisors.

John Adams took on what is surely among the most difficult and contentious legal issues in American history, defending the British soldiers on trial for the Boston massacre. Passions were high, with many colonists more inclined toward lynching than listening.

Adams won the day by focusing on the evidence. "Facts are stubborn things," he famously told the court. "And whatever may be our wishes, our inclinations, or the dictates of our passion, they cannot alter the state of facts and evidence."

More than 200 years later, the state of facts and evidence may once again win out in a contentious issue boiling in the retirement plan marketplace: the disclosure of fees and charges paid by participants in 403(b) defined contribution retirement plans.

As a result of the U.S. Department of Labor's 404(a)(5) regulation, many sponsors of 403(b) ERISA plans provided participants with an initial disclosure report with plan, investment, and expense-related information by August 30. In many instances, the reports for the first time aggregated information on fund management, administration, and recordkeeping. Sure, much of this information was already available to participants. But few could access it in one place, knew where to look for it, or could easily digest it.

QUESTIONS WELCOME

By now, many participants of ERISA plans have dug through their mail piles, ripped open their report envelopes, and glanced at the lineup of costs. Some are starting to ask questions. They want to know what they pay for, why they pay it, and whether those costs can come down. Participants in non-ERISA plans, which aren't subject to the new disclosure requirements, may start asking questions as well as the buzz on retirement plan costs is amplified by the media, family, friends, neighbors, and others.

These questions should be viewed as new opportunities for advisors to sit down with plan sponsors and as many participants as possible.

Advisors may have already connected with sponsors of ERISA plans to review disclosure requirements and help create a communications plan. But don't overlook non-ERISA plans. Many of these plans may ultimately want to provide the same or similar types of disclosure as their ERISA brethren. Doing so will not only create an atmosphere of greater transparency, it can help encourage participants to take a bigger interest in their retirement savings.

When meeting with participants, review their retirement plans, compare and contrast today's financial position with their goals and objectives for retirement, conduct some benchmarking, and determine if a course correction is warranted. This can mean approaching employers to determine their receptivity to a

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seminar on investing, retirement planning, or simply making sense of the new disclosures.

DIALOG ON FEES

On an individual participant basis, it means reviewing the information with clients as part of a gap analysis to determine if they're on track. More often than not, more work—read additional savings—will be necessary. A review of the new fees disclosure is a good place to open a dialog on broader savings and investment issues.

The fees associated with defined contribution plans can essentially be broken into two categories: expenses related to investments and expenses related to plan administration. Reviews with individual participants should start with an overview of the plan administrative fees deducted from each account and a description of the services received for those fees. Many participants previously were unaware that they paid any fees, so starting with the basics can help provide a base level of understanding.

In some instances, the report will include fees assessed for participant-initiated actions such as hardship distributions, loans, or qualified domestic relations orders (QDROs). Many sponsors charge fees for making loans from defined contribution plans or allowing QDROs for payment of alimony, child support, or division of property between divorcing spouses. If the administrative fees are high relative to what employees at similar companies are paying, it might be possible to negotiate a reduction with the plan sponsor, provider, or both.

On the investment side, investment expense disclosure will be assessed as both a dollar amount and as a percentage on a sample $1,000 investment. Advisors should examine the relative performance and the relative expenses of each available investment option and whether each person's investment choices and asset allocation are appropriate for his or her goals, investment horizon, and risk tolerance. In many instances, participants may want to weigh a reallocation of their retirement investments to new or different funds they hadn't previously considered or had even rejected.

In other instances, participants may be over-weighted or under-weighted in a particular investment category. Perhaps they're simply taking too much risk for their proximity to a desired retirement date. So asset allocation questions may play a big part in any discussion.

Preparing for retirement ultimately means helping people achieve financial freedom, something John Adams would surely appreciate. But Adams also understood that freedom demands an informed public.

"Liberty cannot be preserved without general knowledge among the people," Adams wrote. Helping improve your clients' knowledge of their retirement plans and how they can put that knowledge to work can help them achieve their own financial freedom.

E. Thomas Foster Jr., Esq., is The Hartford's national spokesperson for qualified retirement plans. Foster works directly with broker-dealer firms and advisors to help them build their qualified retirement plan business and educate them about industry issues.

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