HILLS BANK

Should Your Business Switch Its 401(k) Provider?

4 Telltale Signs It's Time to Reevaluate Your Business's 401(k) Provider

Selecting and monitoring a retirement plan provider for your business is an important task. But once you've chosen your provider, it's equally as important to evaluate their performance regularly to ensure you and your employees are getting the service you deserve. The right 401(k) provider won't only reduce administrative headaches– they'll also boost employee morale and improve retention.

If you're unsure about your current 401(k) plan administrator, here are a few warning signs that you may be **better served elsewhere**.

1. Your plan administrator uses multiple service providers without a common point of contact

There's nothing worse than being caught in the middle of a game of administrative hot potato. You call your provider, only to find out your question should go to someone in another department, who asks you to repeat your question. Once you've done so, that person tells you that, actually, you should speak with another company who they have contracted to handle recordkeeping of your company's 401(k) plan, and so the process starts over again…

Does this waste of time sound familiar? Having one point of contact for your entire plan administration ensures you don't need to spend an afternoon trying to hunt down the right person for a simple question or an urgent matter. It also can make you more comfortable as you develop a common understanding of your goals and important plan aspects. Your 401(k) provider should encourage you to reach out with any questions or concerns – not make doing so a hassle.

At Hills Bank, we provide all aspects of our employer-sponsored retirement plan services. It’s a one-stop shop. We serve as:

- Trustee: As a Discretionary Trustee, we share in fiduciary responsibility with the plan sponsor, provide administrative support and education, and stay up-to-date with regulations.
- Custodian: We collect income and provide safekeeping of assets.
- Investment manager: Our experts select and monitor investment options, report performance, and conduct on-site or online employee meetings.
- Recordkeeper: We maintain participant records, prepare forms and IRS documents, process benefit payments and other participant-initiated requests, provide reporting to the plan’s sponsor, and provide daily valuation of plan assets. Both employers and their employees have the ability to speak to their local Hills Bank retirement plan services professional in person, through video conferencing, or over the phone to get assured answers to their questions in a timely manner.

2. You’re being charged fees for unreasonable or unclear reasons

One of the most common points of frustration among businesses with a managed retirement plan is a lack of understanding about the fees they’re charged. If you’re finding yourself shelling out for fees without a clear reason as to why, it’s probably time to evaluate your options. Hills Bank’s retirement plan services are bundled and fees are fully disclosed – so you won’t be charged at each step in the plan administration process, unlike many administrators that use multiple service providers. In fact, we encourage local business owners who are sponsoring a retirement plan to complete a free comparison with us to see whether they would save by switching their 401(k) provider. We’ll quantify your all-in costs to give you the entire picture on what your plan cost would look like if it were managed by Hills Bank.

3. You don’t have the time to perform 401(k) fiduciary duties

Running your business or handling your other daily responsibilities is time-consuming enough. If you

are currently serving as sole trustee or in a co-fiduciary role with an Investment Advisor (as defined by the Employee Retirement Income Security Act), you know how long it can take to select and monitor investments to fulfill your fiduciary responsibilities to your employees – time that could be spent on other pressing business matters. While switching to a Discretionary Trustee like Hills Bank doesn't fully relieve your business of its fiduciary duties, it does significantly reduce your liability and workload, because a Discretionary Trustee has the ability to make investment lineup decisions on your business's behalf. Hills Bank is an ERISA Plan fiduciary under Section 3(21)(A)(i) of ERISA.

4. Your employees aren't getting the attention and education they deserve

You've grown your business, in part due to the hard work of your employees. But if they don't know how to navigate your 401(k) offerings, they're less likely to see the value your plan provides. This is where having a dedicated point of contact for questions and education opportunities is critical. Giving your employees access to education opportunities about their retirement plans makes them more engaged, more likely to contribute, and consequently, more likely to stay with your company for the long haul.

Between group meetings, office hours, video conferences, and individual appointments, we offer a range of convenient options to connect with your employees. Unlike a number of national providers, we can come to your office or worksite for presentations – making your business's retirement plan services feel much more personal. We also offer financial planning services to your employees at no extra charge.

If any of these warning signs of 401(k) plans sound familiar, we can help. Our **experienced investment professionals** make switching your 401(k) provider a breeze.

Learn more about Hills Bank's retirement plan services.

Investment products are not a deposit, not FDIC insured, not insured by any federal government agency, carry no bank guarantee, and may go down in value.

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