



Fulfilling Fiduciary Responsibility Through
***Employee Retirement
Financial Education***

*“Without education
financial decisions are
based on the emotions
of fear and greed”*

*“No one likes
to lose money.
And when they do
they look for
someone to blame!”*

*“Without education
employees make
costly mistakes”*

RETIREMENT FINANCIAL EDUCATORS

A division of
The Pension Specialists, Ltd.

“We can improve any retirement plan”SM

The Retirement Financial Education Challenge!

The need to offer employees retirement financial education at a level fulfilling fiduciary obligations is a challenge leading to the following questions. They are difficult questions. The answers differ from employer to employer based upon each employer's attitudes. To the right of each question are the answers that we feel are most valid.

Questions

1. What level of education should be provided?
2. How often should education be offered?
3. Should attendance be mandatory or voluntary?
4. If voluntary, what if no one shows up?
5. What about employees with scheduling conflicts or who are out on vacation or sick?
6. Should education be provided during or after work?
7. Should education be offered on or off premise?
8. Should employees be paid for attending classes?
9. Will mandatory attendance at an on-the-job class push employees into overtime that week?
10. What are lost production costs?
11. What is the cheapest (best value) way to provide the required employee education?
12. What documentation of education offerings and attendance needs to be kept?

Answers

1. A level demonstrating that meaningful education was made available.
2. Offerings should be frequent and consistent, so there is no excuse not to attend.
3. Employee attendance should be voluntary. Mandatory attendance requires paying employees.
4. Your obligation is to offer education and document that you made it frequently available.
5. Frequently offering education classes solves this problem. There is no excuse not to attend.
6. After work. This avoids work shut downs. Employees are better able to focus on the class.
7. Education should be offered both on premise after work and off premise after work.
8. No. The education is virtually entirely for their benefit. It is not required to pay employees for attending voluntary after work classes.
9. Yes, attendance at a mandatory on-the-job class could cause payment of overtime.
10. Lost production costs are three to four times the employee's hourly wages. *(See cost analysis)**
11. The best quality and volume of education for the best value is provided after work.
12. A complete documentation of education offerings should be maintained, this includes:
 - a) Copies of scheduled dates and times demonstrating a wide range of availability.
 - b) Copies of dated notices of the scheduled classes demonstrating adequate advance notice.
 - c) An outline of the class curriculum demonstrating relevant topics.
 - d) A copy of the materials used in the class demonstrating understandability.
 - e) The credentials of the presenter.
 - f) A list of the attendees.
 - g) A statement completed by attendees acknowledging understanding of the material.

**A detailed Cost Analysis can be found on the back of our "Questions and Answers about after work Employee Retirement Financial Education" brochure. Please contact our office to receive a copy.*

For class schedules contact The Pension Specialists, Ltd. 815.394.5500 customer service ext. 103

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What are the flaws of on-the-job Retirement Plan Group Meetings?

Many employers don't want to pay for retirement financial education. Instead they allow the 401(k) vendor to come to the work place during working hours and hold employee meetings to explain the 401(k) plan and to discuss investments. The employer thinks this is getting off cheap because there is no fee payment to a professional retirement financial educator. But what are the flaws of this approach?

First, most employers make employee attendance at meetings mandatory, typically holding meetings during the workday. Second, the employers operations are shut down during the meeting. Third, employers want meetings to finish quickly so employees can go back to work. Employees must be paid and this may push some employees into overtime for the week. Employees are distracted during the meeting feeling they should be working and not sitting in a meeting. Information disseminated is usually limited and basic, and little if any education is provided. *(See cost analysis)**

What are the benefits of after-work Employee Retirement Financial Education?

Classes are offered after hours both on premise and off premise. There are multiple classroom opportunities per year all at convenient times. Attendance is voluntary but strongly encouraged and continually promoted. Experienced and credentialed professional financial educators teach the classes. The employer does not "Move the meetings along so that everyone can get back to work!" Employees focus on the education and do not worry about getting back to work.

The employer better complies with its fiduciary responsibility by providing the following:

1. Financial education opportunities are consistently offered at multiple convenient times.
2. Financial education is in depth, thorough and professionally presented.
3. The employer has third party documentation of financial education offering dates and times.
4. There is no excuse for employees not to have attended at least one class per year.

5. The employer has third party documentation of employee attendance.
6. The employer has third party documentation of each employee's comprehension of topics.

After-work Employee Retirement Financial Education class schedules

We offer numerous education opportunities to accommodate employees.

- A. Public monthly classes offered in Rockford, Illinois.**
- B. Public quarterly classes offered in expanded areas throughout Wisconsin and Illinois including Madison, Milwaukee, Appleton and Chicago areas.**

A schedule of class offerings is published every six months announcing:

- a) Dates, times and location of each class.
- b) Class topics and difficulty level.

The cost is \$40.00 for an employee and \$20.00 for a spouse attending with an employee.

Classes are limited to a maximum of thirty and a minimum of eight students. Employers are responsible for payment of the class fee. Class fees may be paid by the retirement plan. Reservations are necessary and employers are billed for a "no show." (A no show cost may be charged back to the employee)

C. Private classes offered by the employer.

The cost is \$500.00 for up to 30 students, which may be a mix of employees and spouses.

Employers may offer private classes at a time and location selected by the employer. Classes will be scheduled to run two hours. The topics taught can be customized for the employer's group. The employer must provide a facility with adequate seating along with a writing board and a projection screen or a viewable wall area.

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Summary

After work voluntary employee retirement financial education is much less expensive to employers than providing education during the workday. The employer's workflow is not disturbed. Employees are better able to focus on the education and actually receive better education. The employer's need to comply with retirement plan fiduciary education obligations are fully satisfied. The employer's fiduciary actions are

thoroughly documented by an independent third party. The employer's risk associated with retirement financial education is significantly reduced. Employee retirement financial education is one of the least expensive employee benefits an employer can provide. The cost is estimated at \$2.46 per month per employee. This is probably less expensive than providing free pop or coffee!

To request further information and/or class schedules, please complete the following information, and fax to 815.399.9324.

<i>Business Name:</i>	
<i>Contact Name:</i>	
<i>Street Address:</i>	
<i>City, State , Zip:</i>	
<i>Telephone No.:</i>	<i>Fax No.:</i>
<i>E-mail Address:</i>	
<i>Comments and/or Points of Interest:</i>	

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State of Texas (300 plans)

Services offered through:
The Pension Specialists, Inc.
1.800.464.8805
E-mail: info@pension65.com

The Pension Specialists, Ltd.



Retirement Plan Third Party Administrator

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