

Advantages of the Unbundled TPA Platform

On-site plan sponsor visits – A local TPA can visit a plan sponsor at their location for the convenience of a face-to-face meeting whenever necessary. In circumstances where decisions need to be made and options explained and reviewed, this can be an effective use of time for the plan sponsor as opposed to the necessity for the plan sponsor to review and evaluate written materials on their own.

High level of technical expertise – The staff of a reputable TPA will have extensive experience and stability with many staff members possessing professional certifications to support a high level of technical expertise. Frequently questions can be answered and solutions provided on the spot without the delay of having to do research and return a phone call at a later date.

Impartiality and independence – A TPA works exclusively for the plan sponsor and is impartial and not influenced by the motivation of the investment provider. The effect on the plan sponsor is the only consideration when providing advice and making decisions. The plan sponsor is at liberty to replace any part of the service team (broker, TPA, investment provider) without replacing the entire service team.

Pro-active plan design consultation – A TPA is inclined to be pro-active in reviewing the plan design/operation regularly to confirm continued effectiveness in relation to company objectives and will offer consultation from time-to-time confirming continued effectiveness of the current plan design or make recommendations for changes to consider.

Identify and follow up on participation issues/trends – A TPA is inclined to look at the whole picture and identify issues and trends that may need to be addressed, such as a decline in participation, the need to process distributions to terminated participants, etc. These issues will be brought to the attention of the plan sponsor and the broker in order to be dealt with in a timely manner.

Review data for reasonableness – A TPA will become very familiar with the data of each client and reviews the data provided by the client for accuracy and reasonableness. Unusual dates of birth and compensation amounts are questioned and the plan sponsor may be asked to confirm that such information is correct. Although the plan sponsor is always ultimately the responsible party to the government, our position as a TPA is to confirm the accuracy of the data provided and not to accept data without question.

Evaluate, explain and advise on tax law changes – Changes in tax law affecting qualified retirement plans occur frequently and often provide plan sponsors with a variety of decisions to make. One of our roles is to evaluate the changes, explain the effect to the client and advise on the appropriate action to take. We do not believe that it is adequate to provide our clients with written materials and request their review and response without our input.

Extraordinary services are available – The flexibility that a TPA provides can be very valuable to a plan sponsor requiring extraordinary services from time-to-time or even on an ongoing basis. The turnover or temporary leave of absence of accounting/payroll staff can create the need to train new staff. A TPA can assist in that process on-site and even assume additional duties such as transmission of contributions to the investment provider until new staff is adequately trained. It is most appropriate and cost-effective to operate within established procedures; however, a TPA can accommodate special requests for extraordinary services for an additional fee.