

10 Questions You Need To Ask BEFORE Recommending One To Your Client

A BCG Report Focusing on Comprehensive TPA Information



When a Financial Advisor begins the process of trying to find a TPA to handle their client's retirement plan, they tend to only look at a TPA's fees or take the recommendation of someone they know .

To help determine which TPA is the optimum fit for your client, you need to ask a TPA certain key questions. That said, we've created this unbiased guide as a way to help protect Financial Advisors from an unpleasant TPA/Client experience. Although no one can guarantee a perfect TPA partnership, this guide will help stack the odds in your client's favor.

Question #1 Will you assign me and my client a dedicated specialist to guide us through the plan implementation and conversion process?

Make sure the TPA assigns you one point-of-contact, the same person who's assigned to your client. Why is this important? It will avoid any type of implementation delays and accuracy issues with getting your client's retirement plan up and running.

BCG's Solution - We'll assign an Implementation Specialist to work with you throughout the entire implementation and conversion process. This Implementation Specialist's primary responsibility is to build a relationship with both you and your client – all to ensure an accurate and timely implementation. In addition, BCG's Implementation Specialist will save you even more time as they assist with the entire conversion and reconciliation of the plan assets.

Question #2 Do you provide access to an ERISA attorney to assist with plan design considerations or regulatory concerns and questions?

Face it, the regulations associated with a retirement plan design can be a daunting experience for any financial advisor. And if your client is not compliant during an IRS audit, this can lead to a tremendous liability for both you and your client. We cannot stress the importance of having solid legal advice available; therefore, make sure your TPA has an ERISA attorney on hand.

BCG's Solution - With close to 50 years of TPA experience, we understand the value of having an ERISA attorney on staff and they are frequently brought in on technical design issues and regulatory concerns during the plan design process.

Question #3 How long will you guarantee my client's administrative fees?

TPAs make money on their fees. It is important to know how long a quoted fee will stay the same. After getting set-up in a plan, you don't want to find out after a year that the TPA will be raising your clients' fees.

BCG's Solution - BCG will guarantee a new client's annual administrative fee will remain at the quoted level for 3 years.

Question #4 How will you support me and my client should we have any questions? How about my client's plan participants?

Many TPAs promise great service, but few are really capable of delivering it. Make sure you know the TPA you're recommending has trained personnel and a detailed outline of their administrative customer service model available.

BCG's Solution - BCG's administrative service model is split into two divisions: One team dedicated to plan participants (available from 8:00 am to 8:00 pm EST); the other team, known as Retirement Plan Specialist (RPS), is exclusively for Financial Advisors and their clients.

Question #5 What are my clients' choices with investment providers and options?

Many TPAs are obligated to promote the funds of the companies they work for. This creates a situation that is more beneficial for the TPA than for the client. It is important to find a TPA that can support the funds that are in your client's best interest.

BCG's Solution - BCG has the freedom to work with hundreds of investment providers. Our investment platform has thousands of mutual funds available which allows us to offer the best investment mix for our clients and plan participants.

Question #6 Everyone promises great customer service but can you provide me with some type of Service Satisfaction Guarantee—in writing?

Any TPA or company can say they have great customer service. Ask them to back it up with a service guarantee and many will say they won't because they'll lose too much money.

BCG's Solution - Yes. BCG is proud to offer a Customer Service Guarantee. This guarantee covers the plan installation and conversion, timely quarterly statements and the processing of contributions and distributions.

Question #7 How many years of experience does your Implementation Team have?

Training and experience is what makes new plan set-ups and conversion processes successful. Having a team that can handle the details will speed up the process and prevent errors.

BCG's Solution - The average tenure of BCG's service team is 12.9 years. We believe in the fact that our service team builds a strong long-term relationship with their clients. The executive team recognizes and values these relationships and rewards their specialists for long service.

Question #8 What type of account access is available for my client and their plan participants—and what about my access as their Financial Advisor?

A person's retirement account is probably the single largest savings pool they have. With that said, it is important to offer easy access to this account. You should be asking each TPA what systems are in place to provide access to a participant's accounts. Some people may prefer access to an Internet site, while others are more comfortable with the telephone. In addition to access, you should pay close attention to the functionality and how user-friendly the systems are.

BCG's Solution - Plan Participants, Plan Sponsors, and Financial Advisors all have access to BCG's secured website. Some of the features available to a participant include account balance inquiries, transfer between investments, change future investment elections, view transaction history and print state-

ments on demand. The features of the BCG website include plan level reporting, statements-on-demand, view transaction history and submit payroll data. These features are also available through an automated 800 number. An Implementation Specialist is always standing by to review a demo of both these sites with you.

Question #9 Are you SAS 70 certified?

The SAS 70 is a standard developed by the American Institute of Certified Public Accountants (AICPA). To meet this certification the TPA must go through a rigorous audit every year.

BCG's Solution - Yes, BCG is SAS 70 certified. To obtain a copy of the SAS 70 report, please contact a BCG Plan Implementation Specialist at (800) 524-401K option 3.

Question #10 Do you provide any type of written documentation outlining roles, responsibilities and expectations for my client so their plan gets up and running accurately and on-time?

Changing retirement plan providers can be difficult. It is important for you review a TPA's installation materials and implementation processes they have in place. Ask the question: "How do you ensure my client will have an accurate and timely implementation?" If the TPA cannot provide you with detailed implementation instructions in writing, you should continue your search for a new TPA.

BCG's Solution - Each new client receives a plan implementation timeline with their installation kit to help guide them through the setup and conversion process. Also, individual roles and responsibilities are identified in the kit. In addition, each new client receives an administrative manual outlining the compliance calendar, the ongoing roles and responsibilities pertaining to the administration, and recordkeeping of the plan.