

# 8 KEY CONSIDERATIONS FOR EFFECTIVE PLAN DESIGN

Every company is different, and your plan design set-up should be, too. Your retirement plan can be a wonderful recruitment and retention tool. Make it work for your company!

## ELIGIBILITY

You can set the eligibility for your plan based on what will work best for your employees. Do you have a lot of turnover in the first three or six months? Do you need to set immediate eligibility to recruit that higher talent? There are so many ways to structure this.

## AUTOMATIC ENROLLMENT

Automatic Enrollment works! It is very effective for getting your employees into the retirement plan. And when you combine automatic enrollment with an automatic increase feature, your employees will save more gradually, so it hurts less and is better for their future!

## AUTOMATIC FORCE OUT

Did you know that you can now stretch the force-out limit from \$5,000 to \$7,000? This allows you to force out terminated participants with a small balance. Does your plan have this feature? If so, it is important that you put this into practice.

## LOANS

Does your plan offer loans? Do you have a loan policy in place? We recommend setting a limit on the number of outstanding loans your employees can take, among other restrictions in the loan policy. The retirement plan was never meant to support your employees like a checking account. Help protect your employees from themselves with a loan policy.

## VESTING

Every employer contribution has a vesting schedule. Is your vesting schedule working for you? Do you want to use the vesting schedule as a recruitment tool, or do you need to use it to help retain talent? You can stretch vesting up to 6 years, but is that what is right for your company?

## EMPLOYER CONTRIBUTIONS

There are so many ways to structure your employer contribution. Have you had the same match structure for 10 years? If so, it may be time to consider stretching the match. This can encourage employees to save more and better set themselves up for success in the future.

## DISTRIBUTIONS

What distribution options are available for your employees? While there are numerous options available these days, they may not be right for your employees.

## IN-PLAN ROTH CONVERSIONS

Does your plan offer in-plan Roth conversions? Tax planners can often use these, and they are a sophisticated maneuver. Does it make sense to offer these in your plan?