

401k|SAFE Plan Overview for Advisors

This overview is provided as a quick reference tool for advisors and others involved in marketing and selling 401k|SAFE.

Value Proposition for Financial Advisor (FA)

- Offer client option to mitigate future fiduciary liability (Advisor wants it on the "record" that 401k|SAFE was presented as an option to mitigate the personal liability if client incurs future DOL audit or participant law suit.)
- Offer client option to eliminate 5500 and eliminate audit if audit status (over 100 eligible participants)
- Offer Client option to eliminate future processing of loans, hardships and distributions.
- Offer Prospect a comprehensive fiduciary solution that they have not heard from current advisor
- Door opener to get into new "high net worth" business owners

Talking Points

- Increased risk of litigation and unlimited personal liability (LaRue Case)
- Increased risk to DOL audit due to stepped up enforcement
- Not a core business function
- Compliance burden is increasing
- Workplace conflict exposure

The Ideal Client

- Client recognizes fiduciary risk and would rather outsource than devote internal resources necessary to execute on fiduciary responsibilities
- Client does not want to file another 5500 or incur audit, if audit status (has over 100 eligible participants)
- Client wants to outsource loans, distributions, and hardships

The Wrong Client

- Client wants individual brokerage accounts, or to control investments,
- Current plan has non-traditional assets, or is a 403(b)
- Client does not want loan provision
- Client does not want quarterly entry dates

May Not Work For Advisor

- No life and health insurance license
- Wants to change compensation
- Acting as fiduciary [3(21) or 3(38)]
- Will not sell group deferred annuity contract
- Wants to control investment options

Process For Getting Proposal

- Call 401k Safe (205-202-8523) or your Lincoln Wholesaler (877-533-9710). For immediate pricing, refer to Pricing Summary, or register on 401k|SAFE Advisor Portal (at www.401kSafe.com)

New Case Conversion Process

- Client signs 401k Safe Service agreement
- Client completes adoption agreement
- Client uploads initial census file
- Conduct enrollment meetings
- Defer new money into 401k|SAFE plan
- Conduct due diligence on existing assets
- Transfer assets into 401k|SAFE plan

Post Sale

- Advisor receives mid-year ADP/ACP testing to review with client
- Advisor meets with client annually to review plan design, assess service issues, updates, and plan viability

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