

# The Strength of Partnership:

Preparing for Changes in the Retirement Plan Marketplace

Plan Sponsor and Employer Guide





## Navigating the Sea Change in Retirement Plans

As an employer, you share the responsibility for guiding your employees toward making decisions that will afford them greater financial freedom in retirement. But here's the quandary: just as your workers look to you for financial guidance and advice, you must adjust to a sea change in plan regulation and administration.

### Do the following issues look familiar to your retirement plan committee?

- New regulations that add to the complexity of administration
- Fiduciary pressures to provide prudent investment options
- Timely (and potentially complex) fee disclosures to your participants
- Outside advisors whose allegiances are split between plan providers and investment managers
- Watershed regulations that require greater transparency about disclosing relationships between plan sponsors and their advisors
- Employees who feel they cannot afford to save, but are being courted by your competitors through their benefits programs
- Concerns over your employees' retirement readiness

Your need for competent, objective retirement plan and investment advice—from an advisor you can trust—has never been greater.

That's why your plan should work with an independent, retirement plan advisor affiliated with LPL Financial.



## Focused Retirement Plan Solutions from an Independent Plan Advisor



Today, LPL Financial is the #1 independent broker/dealer in the country.<sup>1</sup> The firm was formed in 1989 through the merger of two small but successful brokerage firms: Linsco and Private Ledger. In 2010, the retirement-plan focused division of LPL Financial became the nation's leading affiliation of independent plan advisors.<sup>2</sup> Combining the focus of a boutique with the strength and resources of a national brokerage firm, LPL Financial boasts an elite corps of top-ranked advisors coast-to-coast.

Until recently, it was possible for many plan sponsors and employers to work with advisors on nearly any brokerage platform and fulfill their fiduciary obligations. That's no longer the case. With the retirement industry becoming more complex and regulated, today's plan sponsors need more specialized services, including:

- Unbiased, independent advice that will allow them to offer competitive employee benefits at a reasonable cost
- Access to robust data to use in benchmarking plans and investment managers
- More effective financial education programs for their employees

In these areas and more, your LPL Financial retirement plan advisor consistently set the standard. Why? Our single-minded focus on improving retirement readiness for American workers seeks to ensure the continued positive retirement experience of our plan sponsor clients and employees alike.

### The advisor: A powerful extension of your retirement plan committee

Four key tenets that are essential to running an effective retirement plan drive the partnership between your retirement plan advisor and LPL Financial:

- **Unbiased advice** – Your retirement plan advisor can act as a co-fiduciary of your plan under ERISA section 3(21) for ongoing investment advice. Our advisors are paid by you—and not by any product sponsor.
- **Meaningful, timely information and research** – An LPL Financial retirement plan advisor can offer you deep industry insights and knowledge of the regulatory landscape that enable you to make the best choices for your plan's individual needs.
- **Easy access to value-added investments and services** – An LPL Financial retirement plan advisor can deliver proprietary research that is designed to help you tap the world's most talented investment management teams.
- **Unparalleled service** – An LPL Financial retirement plan advisor firm is committed to providing what you and your employees deserve and expect—great financial education at enrollment and one-on-one meetings.

**Today, LPL Financial is the leading choice to consider when your retirement plan matters.**

<sup>1</sup> As reported by *Financial Planning* magazine, June 1996–2011, based on total revenue.

<sup>2</sup> In 2010, LPL Financial retirement plan advisors accounted for 39 of America's 100 Top Retirement Plan Advisors and Adviser Teams. *PlanAdviser*, Nov.-Dec. 2010. Advisors are nominated by industry professionals and selected based on quantitative evaluation of service levels and feedback from plan sponsor clients. Advisors who have attained the PLANSPONSOR Retirement Professional Designation receive an automatic nomination.

## What makes an LPL Financial retirement plan advisor different?

The one and only focus of LPL Financial retirement plan advisors is to provide your plan with the tools, training and dedicated support needed to build high quality solutions for your organization and its employees.

- **Independent** – An LPL Financial retirement plan advisor is an autonomous professional, focused on addressing the unique needs of your plan. He or she has access to turnkey reporting capabilities for plan features comparability and fee transparency under ERISA section 408(b)(2).
- **Highly Trained** – Regular LPL Financial conferences, webinars and training help ensure that your advisor is versed in the intricacies of plan regulation and administration, and has specialized knowledge of ERISA and Department of Labor rules.
- **Knowledgeable and Effective** – An LPL Financial retirement plan advisor is able to deliver to your plan committee unbiased, institutional quality due diligence on well known investment managers, as well as in-depth research on leading plan providers—virtually in real time. Plan sponsors and employers can expect precise implementation of plan features and benefits on the fully integrated LPL Financial technology platform.
- **Committed to Plan Sponsor's Success** – An LPL Financial retirement plan advisor seeks to help you make better decisions and optimize your plan design and investment options. Services designed specifically for the needs of plan sponsors include fiduciary-level investment monitoring and expedited investment policy statement (IPS) creation.
- **Committed to Your Employees' Success** – An LPL Financial retirement plan advisor is fully dedicated to improving retirement readiness for your employees while they are in-plan, preparing to retire, and after they have left the plan.



# Value-Added Investment Research, Critical Financial Education and Fiduciary Support

## Fiduciary support helps limit risk in your plan

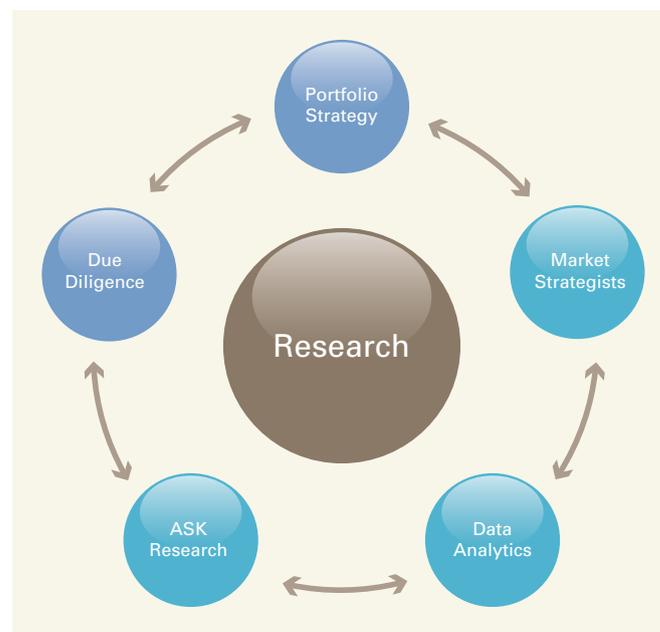
Unlike other traditional broker/dealers, an LPL Financial retirement plan advisor can assist employers in addressing ERISA fiduciary requirements, education on plan design options, and regulatory issues. Our fiduciary support services include:

- Providing you with comprehensive plan provider review and benchmarking, including in-depth comparisons of plan features and fee transparency
- Expediting the creation of Investment Policy Statements (IPS) and assistance in adhering to it
- Monitoring of fund performance and managing the watchlist and replacement process
- Participating in your investment committee meetings
- Helping you prepare for annual audits

## Market insights and due diligence help give you the pulse of the market

Your LPL Financial retirement plan advisor has access to unbiased market insights and institutional-quality portfolio manager due diligence through the LPL Financial Research team. This dedicated LPL Financial business unit analyzes hundreds of investment managers and more than 20,000 mutual funds, and distributes regular commentaries on the most widely held retirement investments. Our experienced team of 26 strategists, research analysts and analytics specialists covers our macroeconomic outlook and the expanding universe of investment managers and products.

## LPL Financial Research: An extension of your investment committee



## Education services designed with the employee in mind

LPL Financial is pleased to offer comprehensive retirement plan services that seek to assist employees by improving their retirement readiness—and help your organization attract and retain better workers. Available to plan sponsors exclusively through our retirement plan-focused financial advisors, our single solution offers financial education and guidance tools for your workers while in-plan, when they become eligible to leave the plan, and after they leave the plan. LPL Financial creates highly effective participant outreach and enrollment programs, designed to increase financial literacy, participant rates and employee deferrals.



## About LPL Financial Retirement Partners

LPL Financial Retirement Partners is the retirement plan-focused division of LPL Financial LLC ("LPL Financial"), the nation's largest independent broker/dealer.\* Through its integrated business platform and team of retirement industry experts, LPL Financial Retirement Partners supports the operational and practice management needs of retirement plan advisors who offer consulting and related retirement plan services to plan sponsors and their employees.

## About LPL Financial

LPL Financial, a wholly owned subsidiary of LPL Investment Holdings Inc. (NASDAQ: LPLA), is the nation's largest independent broker-dealer (based on total revenues, *Financial Planning* magazine, June 1996-2011), a top RIA custodian, and a leading independent consultant to retirement plans. LPL Financial offers proprietary technology, comprehensive clearing and compliance services, practice management programs and training, and independent research to approximately 12,800 financial advisors and approximately 730 financial institutions nationwide. In addition, LPL Financial supports over 4,000 financial advisors licensed with insurance companies by providing customized clearing, advisory platforms and technology solutions. LPL Financial and its affiliates have approximately 2,700 employees with headquarters in Boston, Charlotte, and San Diego. For more information, visit [www.lpl.com](http://www.lpl.com).

\*Based on total revenues, *Financial Planning* magazine, June 1996-2011.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.

For plan sponsor use only – not for use with participants or the general public.

Member FINRA/SIPC

 [www.lpl.com](http://www.lpl.com)