



# ACI Advisors Corner

## ACI's Value Add to your Bundled Clients

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September 08, 2009

While a bundled provider may satisfy your client by having a “one-stop shop” i.e. getting the testing and 5500's done and allowing participants to call an 800 number and change their investments; there are many things that a bundled provider generally won't provide.

Below are some examples of how ACI can help your bundled clients on a short-term, specialized basis while keeping their plans bundled and getting the best of both worlds.

- 1) **Controlled groups** – if your client is part of a controlled or affiliated service group, and everyone in the group is not in the plan, coverage testing under IRC Section 410(b) must be done to ensure that the plan can stand on it's own. We can do this testing and associated consulting for them. It is amazing how many employers are not even aware that they are in controlled or affiliated serviced groups.
- 2) **QDRO's** – if your client has a participant with a Domestic Relations Order (DRO) and they need it reviewed to see if it's Qualified, we can do this for them. The determination of a Qualified Domestic Relations Order is a legal determination but we can review a DRO to determine if it meets the requirements for it to be Qualified.
- 3) **Compensation** – if your client's plan document has multiple definitions of compensation, for example different compensation used for 401(k) testing vs. match testing, check with the bundled provider to make sure that both compensation definitions are taken into account. The fact that they don't does not mean the plan document can be ignored; we can do the appropriate testing using different compensation for them. We have encountered some big providers that fall into this trap.
- 4) **Allocations** – if your client wants or has a special allocation for their profit sharing, match or forfeiture allocations, and the bundled provider cannot accommodate it, we can calculate the allocations for them. Typically we prepare a spreadsheet to be reviewed by your client and uploaded to their bundled provider. Everyone is happy and your client's goals are met.
- 5) **ADP Testing** - if your client's ADP/ACP tests are not passing and their bundled provider does not use alternative testing methods to get a more favorable test result, we can do that for them. Most bundled providers only test one way.
- 6) **Plan Operations** - if your client has concerns about the plan in operation or the accuracy of the compliance testing, we can review the work for them and make appropriate recommendations. This “un-comfortableness” may occur when there has been a change in Committee members or a new HR or CFO comes on the scene.

- 7) **Plan Design** – in an ever changing economic environment, we are often asked to review the plan design as the needs of your client continue to change. We help focus them on the positive outcomes that they wish their plans to achieve.
  
- 8) **Fiduciary Best Practices** – ACI does not operate in a fiduciary capacity. We do, however, work with your client to create plan committees and teach those committees to set up and operate prudent fiduciary practices. We can work with your client to publish *their* due diligence materials, *their* plan operation materials and more that can serve as great research materials for you, them and the plan committee members and prove that they have in fact discharged their fiduciary responsibilities. We find that few Plan Sponsors even have plan committees.

Our engagement could be specific and short-term. If you have any questions about how we can help your clients with bundled providers, please let us know.

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