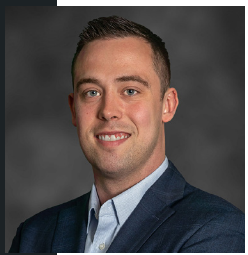
HALL
FINANCIAL ADVISORS

Seeing the Big Picture in Employer-sponsored Retirement Plans During Economic Downturns



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Brennan is a financial professional whose passion for retirement planning was born from his love of his family and community. He believes that smart retirement planning is personally empowering and is essential for quality of life, peace of mind, and a secure future.

There is never a shortage of challenges facing franchise owners. But during times of soaring inflation, a weakening dollar, and worker shortages, these challenges are compounded exponentially. Only a few years ago, "Now Hiring, Starting at $15 an Hour" signs on restaurants, and grocery and retail stores would have been unthinkable. Today they're unavoidable. Employers and employees both are feeling the pinch of volatile economic times. Employers offer more perks and higher wages to lure and retain employees. Employees are faced with exorbitant rents, as well as rising transportation and food costs.

An employer-sponsored retirement plan has long been a key benefit that potential employees look for when job searching. However, planning for the future can seem less important when the present is so daunting. Employees often forgo their 401K contributions in favor larger paychecks. Unfortunately, this is counterintuitive to solid retirement planning. Investing in downtimes is a very important component of a long-term financial plan. we have developed an innovative new approach to retirement planning. To employees, it offers a robust plan that costs less and gives them more investment power. To employers, it provides an easier way to offer a very appealing benefit at a lower cost of entry.

Hall Financial Advisors is redefining how employer-sponsored retirement plans are managed which we believe is an absolute game-changer for franchise owners and their employees.

Franchise ownership comes with a litany of human resource obligations that often have little to do with direct management of the franchise itself and can be very costly in terms of money and time. Among those obligations that can potentially sidetrack franchise owners and managers the most is employer-sponsored retirement plans. For many of these plans, the U.S. Department of Labor requires that human resources directors, boards of directors, and other entities actively manage them. Business owners and plan administrators are also, in many cases, personally liable under federal law for mismanagement or negligence of these plans—a fact of which some franchise owners are not even aware.

The Employee Retirement Income Security Act (ERISA), established in 1974, applies to nearly all private employers. ERISA mandates very stringent standards for retirement plans, welfare benefits like life and health insurance, and disability insurance. The Employee Benefits Security Administration, under the U.S. Department of Labor, controls ERISA. Although private employers are not required to offer benefits, those who do are required to follow the mandates established under ERISA. Administrators of employee retirement plans are responsible for detailed, transparent reporting to the Department of Labor and must also regularly provide plan information to participating employees.

What is a Fiduciary and Why Does it Matter?

Fiduciaries are required to act in the best interest of their clients. Financial Advisors who are not registered as fiduciaries could potentially make decisions that benefit themselves more than their clients, such as choosing investments that offer higher commissions. The role of a fiduciary is not passive. Fiduciaries are legally required to act prudently to diversify investments within the plans to minimize the risk of large losses of beneficiaries and participants. There are three different types of 401(k) fiduciaries, each with their own unique responsibilities and levels of personal liability.

- *3(16) Fiduciary*
  Section 3(16) of ERISA establishes that the fiduciary has a responsibility to ensure the plan is created and managed according to ERISA requirements. If there is no administrator, the plan sponsor takes on this role automatically. The 3(16) administrator typically handles reporting and disclosure requirements, summary plan descriptions, participant disclosures, and the plan's Form 5500 filings.

- *3(21) Fiduciary*
  Under ERISA 3(21), the definition of a fiduciary includes anyone who makes decisions about managing the plan or its investments, administers the plan or is paid to provide investment advice to the plan. Plan sponsors have ultimate responsibility for selecting and implementing investment options.

- *3(38) Fiduciary*
  Under ERISA Section 3(38), an "investment manager" is a fiduciary with the power to manage, acquire, or dispose of plan assets. In addition, the 3(38) investment manager maintains the fiduciary responsibility for

the discretionary selection and monitoring of the plan investment options. 3(38) provider assumes full liability for the plan's investment selection and monitoring.*

** As set forth in, and subject to, applicable agreements.*

Why 401(k) Plans are More Expensive than You Might Think

A 401(k) plan can be a very expensive and complex savings vehicle for employees. Costs of the plans that may not be considered include record-keeping fees, third party administration fees, expense ratios for fund management and advisor fees. The result is often a potential cost of several hundred dollars or more annually that employees might not even know they're paying.

Replacing Aggravation with Aggregation

Developed in 2020 during the COVID pandemic when regularly scheduled face-to-face time with clients was greatly reduced, the Financial Advisors used the time to do a deep-dive and navigate the complexities of ERISA. What they arrived at after months of untangling the meanings of obscure laws was a new model for negotiating costs and implementing employer-sponsored 401(k) plans.

The Power to Pay Less

The aggregate model Hall Financial utilizes leverages volume for greater buying power, the aggregate model that we can implement results in greater negotiating power on behalf of its clients.

The Transfer of Fiduciary Liability

We believe navigating the complexities of employer-sponsored retirement plans has become increasingly more difficult and time-consuming as laws and guidelines change frequently.

The Value of a Team Approach of Experienced Financial Advisors

In our opinion, no retirement plan should be passively managed, with a "set-it and forget-it" mentality. The collective experience that Hall Financial Advisors have guides them in anticipating changes in the economic landscape and being proactive in setting goals and making decisions. We believe clients appreciate the overall team approach of Financial Advisors who seek to build life-long investment relationships with their clients.

Conclusion

An apples-to-apples comparison of the aggregate model to a traditional 401(k) management is less profitable for advisors, but the likely believe it is the future of employer-sponsored retirement planning. To learn more about this model to 401(k) management contact Hall Financial Advisors by calling 1-866-865-4442 or request additional information by scanning the QR code at the bottom of this page.

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The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Expressions of opinion are as of this date and are subject to change without notice. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Investing involves risk and investors may incur a profit or a loss. Past performance does not guarantee future results.

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