



NEWS

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Retirement Management Systems Publishes White Paper Addressing ERISA Hurdles to 401(k) Investment Advice

ANNAPOLIS, MD – January 15, 2012 – [Retirement Management Systems, Inc.](#) (RMS), a turnkey asset management provider to advisors who want to grow their business through professional management of clients' 401(k) accounts, recently released a new white paper, "The ERISA Advantage of Savings Plan Management: Clearing the Path to an Integrated Investment Solution for Both 401(k) Accounts and Rollover Assets."

"About 40 percent of all Americans age 65 and over receive some income from an employer's defined benefit or defined contribution plan," according to U.S. Bureau of Labor Statistics.¹ However, financial advisors are often reluctant to give any meaningful advice with respect to 401(k) account investments for fear that their advice will turn them into fiduciaries and subject them to the fiduciary standards of [Employee Retirement Income Security Act of 1974](#) (ERISA).

"The fear that plan fiduciaries may run afoul of ERISA if they provide the more lucrative rollover advice is one key reason many advisors want to avoid fiduciary status," explains John Blamphin, chief operating officer at RMS. If a financial advisor were to provide any fiduciary advice to investors on their 401(k) accounts, ERISA would generally prohibit the advisor from providing any advice on rollover distributions from the 401(k) account.

¹ William J. Wiatrowski, U.S. Bureau of Labor Statistics, "Changing Landscape of Employment-based Retirement Benefits" *Compensation and Working Conditions On-Line*, posted September 29, 2011, <http://www.bls.gov/opub/cwc/cm20110927ar01p1.htm>.

However, by not providing such a needed service to their clients, many financial advisors are unable to implement an integrated investment strategy that properly covers 401(k) accounts, rollover assets and non-plan investments. This white paper addresses easy-to-implement strategies that would allow advisors to support their clients with integrated strategies while staying clear of potential ERISA hurdles.

To download the complete paper, visit www.retirementmanagementsystems.com and click on the “Download this important white paper” button. RMS’s second white paper in the Savings Plan Management series, “The Rollover Advantage with Savings Plan Management: A Roadmap for Fiduciary Advisors Serving Plan Clients” will be available for download soon.

About Retirement Management Systems, Inc.

Retirement Management Systems (RMS) provides the only turnkey asset management program for 401(k)s, 403(b)s and other defined benefit plans provided through allied financial advisors. The firm’s complete back office process, professional investment management services, and marketing support help advisors grow their business and solidify client relationships by offering portfolio management services and advice for an affordable fee.

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