



Merger & Acquisition Analysis

A Merger & Acquisition Analysis, performed by a Retirement Learning Center (RLC) Senior Consultant, is a comprehensive analysis of the plan document designed to assist an advisor who is looking for a third-party review of a client’s retirement plan. The Merger & Acquisition Analysis is tailored to the needs of each specific client. Some reviews may focus on ways to reduce administrative fees associated with the plan, while others may help identify potential compliance issues so the advisor can work with the plan sponsor towards a resolution. Still others may help a plan sponsor determine retirement benefit considerations prior to a merger or acquisition.

Upon receipt of all of the necessary documents, the consultant will review the plan taking into consideration the advisor’s specific client and their objectives. Upon completion of the review, a written analysis is provided to the advisor. The written analysis provides an overview of the current plan provisions and discussion points for the advisor to help the plan sponsor meet its core plan objectives. In addition to the written analysis, a conference call between the advisor and the consultant takes place to discuss, in detail, the review findings. The goal is to help the advisor differentiate him/herself with the client and enhance the advisor’s value proposition.

To review a specific case with an RLC Senior ERISA Consultant or to ask questions about this service, please contact us.

877-ASK RLC1 (877-275-7521)



Below are three abbreviated examples of reviews completed by RLC in the past. Each example identifies the client’s situation and objectives, as well as discussion items from our review.

1) Client type: Clothing retailer
Objective: The plan sponsor was in the process of acquiring four companies. It wanted to have the business’ current plan document, as well as the plan document for the acquiring plans, reviewed to determine similarities and differences in retirement benefits. In addition, we were asked to review any possible protected benefit issues.

Discussion items: The following is a sample of the features that were different between the acquiring plan and the plans being acquired, which necessitated further consideration prior to the plans being merged.

Discussion items	Considerations/Talking Points
Eligibility	Should the plan be amended to align eligibility requirements?
Protected Benefits	How will the plan implement separate tracking to preserve differing distribution options?
After-Tax (Non-Roth) Contributions	How will the plan separately account for participants after-tax account balances?

2) Client type: Manufacturing

Objective: The plan sponsor pays all of the administrative expenses associated with the plan. The company was interested in some plan design ideas/modifications that would help the plan operate more cost effectively without reducing the current level of employer contributions to the participants. The plan offered many features that were nice but, most likely, caused higher recordkeeping fees (which the employer is paying).

Discussion items: Below is an example of some of the plan features that could be modified to reduce plan administrative expenses.

Discussion items	Considerations/Talking Points
Plan Document	Could the plan-desired features be supported with a volume submitter prototype document?
Timing of Match Allocation	An annual match may reduce extra costs associated with a per payroll match and a year-end true up.
Plan Distributions	Limiting the number of distributions permitted each year per participant may help reduce administration for processing plan withdrawals.

3) Client type: Medical organization

Objective: The plan sponsor was acquiring another medical group that performed most of its plan administration in-house. The company wanted the acquired organization's retirement plan reviewed to help identify any compliance concerns that needed to be addressed prior to the merger of the plans.

Discussion items: After reviewing some preliminary data from the plan, the following two compliance concerns were identified and reviewed with the client.

Discussion items	Considerations/Talking Points
Late Participant Contributions	Follow the DOL Voluntary Fiduciary Correction Program to correct late deferrals.
Use of Forfeitures	Implement an internal process to ensure that plan forfeitures are used in the year of the forfeiture or the following plan year.

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