Whether you are establishing a new retirement plan or looking to improve an existing one, setting goals is a critical first step in achieving a plan that is highly effective for the company as well as for its employees.

Real success springs from a shared mission to help employees achieve financial security in retirement.

The goals set by each employer may be specific to their situation and circumstances, but they share a common framework. Here are five best practices to help guide plan sponsors.

**ESTABLISH A SOUND MANAGEMENT AND OVERSIGHT STRUCTURE**

Qualified plans create substantial responsibilities for plan sponsors and the plan's fiduciaries. To manage a plan prudently and to help fulfill these responsibilities, it is critical to create a management framework and oversight structure with clear roles and responsibilities. Close coordination between the plan governing committees and plan providers is essential.

**To Do:** Establish an annual communication plan between the retirement plan committee and your plan provider(s). Then, document discussions from these meetings and any action steps to be taken.

**CREATE A PARTNERSHIP WITH YOUR EMPLOYEES**

A retirement plan needs to be viewed as something greater than just another employee benefit that the marketplace requires an employer to offer. Real success springs from a belief that the employer is in a partnership with its employees in a shared mission to help them achieve financial security in retirement. This partnership may take many forms, including matching contributions, auto-enrollment, continuing education and planning assistance.

When employees experience this sense of partnership, it generally enhances participation and deferral rates, as well as talent retention.

**To Do:** Consider an employee survey to ascertain your employees’ view of your 401(k) and their needs in maximizing its value.

**EMPHASIZE CONTINUOUS IMPROVEMENT**

Retirement plans, especially 401(k) plans, are constantly evolving. Thought leadership and product development over the last five years have led to significant changes in what constitutes a modern, competitive offering. Success is never static; it is a dynamic process that requires plan sponsors to be responsive to this evolving landscape.

**To Do:** Benchmark your current plan features against what’s available in the marketplace today. Determine if gaps in features may suggest relevant enhancements for your participants.

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MAINTAIN AND MONITOR YOUR PLAN
Periodic benchmarking of your plan to your industry and to the marketplace generally is an important discipline that will help a plan sponsor to gauge its continuing relative competitiveness, compare plan costs and assess the efficacy of its education, communications and investment offering.

To Do: Send a Request for Proposal to a select list of providers. Evaluate the responses relative to your current offering — cost, investment offering, features, support, tools, etc.

LEVERAGE KNOWLEDGE
In smaller companies, the retirement plan responsibility may fall to an internal employee with other, full-time responsibilities. Very often he or she may lack a comprehensive experience with the varied elements of plan sponsorship, such as investment selection, regulatory requirements and effective communications.

As a consequence, responsible internal parties should not hesitate to engage outside professionals to help them through the regulatory, investment and enrollment challenges qualified plans present. Plan providers not only have a deep knowledge of these myriad issues, but can draw upon the real-world experiences of similar plan sponsors to help guide your decision-making.

To Do: Contact your 401(k) provider account manager today to set up a meeting to discuss how he or she may be of help in addressing your top plan sponsor concerns in 2014.

FOR MORE INFORMATION
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