



# THE GATEWAY 401(k)

A Retirement Plan Designed for Small Business



## THE GATEWAY 401(k)



It can be challenging for a small employer to establish and maintain a cost-effective retirement plan for their employees while mitigating employer fiduciary liability. The Gateway 401(k) Plan, a multiple employer plan, is designed to help small businesses offer a cost-effective retirement plan for their employees. This multiple employer retirement plan (MEP) uses the economies of scale of multiple companies to leverage their collective strength in ways that often cannot otherwise be accomplished. The Gateway 401k Plan is a fully-integrated yet customizable, turn-key retirement plan designed to reduce employer and personal fiduciary liability. Based on the unique structure of this plan, employer fiduciary liability is reduced through the use of two plan fiduciaries, Fiduciary Doctors, LLC and Bell Rock Capital, LLC. Fiduciary Doctors, LLC acts as an ERISA 3(16) Plan Administrator. Bell Rock Capital, LLC acts as an ERISA 3(38) Investment Manager to the Plan. The Plan utilizes Mid-Atlantic Trust Company as the trust company to provide custodial services. All fees and expenses are fully disclosed on the Joinder Agreement. The "Master Trust" is designed to meet the unique needs of each individual adopting employer.

“ Although Open MEPs are being discussed as something new, they are clearly a continuation of the established MEP plan structure. The advantages they offer should be a consideration for any employee exploring their fiduciary and administrative options. ”

- Fred Reisch, Partner  
Drinker Biddle

Open Multiple Employer Plans: Tax and ERISA Considerations  
A White Paper, Sept 2011

# Getting Started

## Information needed to proceed with setup of 401(k):

- ✓ Excel file of participant demographics – including SSN, name, address, date of birth, date of hire, salary, and date of termination. (Excel format will be provided in Welcome E-mail, if the completed file hasn't already been received.)\*

### **If you have an existing ERISA Retirement Plan:**

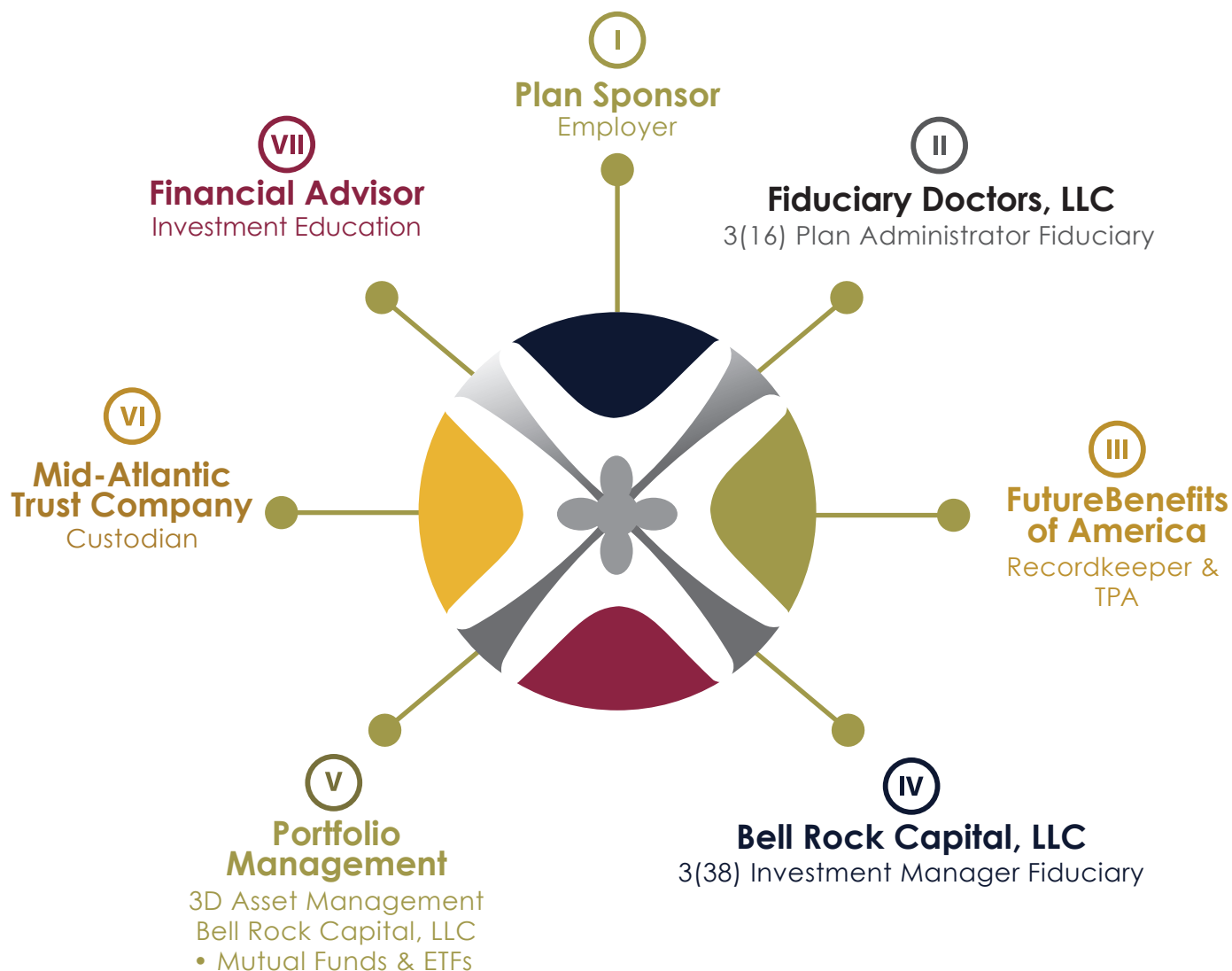
- ✓ Copy of last year's ADP/ACP test(s).  
*(Include year-end administration report(s))*
- ✓ Copy of last year's Top Heavy Test(s).  
*(Include year-end administration report(s))*
- ✓ Copy of last year's 5500's.  
*(Include a detailed explanation of any accrual entries on the Form 5500.)*
- ✓ Executed copy of current plan document  
*(include any adoption agreements and amendments)*
- ✓ A certified letter stating the plan is approved and qualified by the IRS, such as a letter of determination.

\* Please ensure all information is sent via a secure method.



# Key Parties & Responsibilities

The Gateway 401(k) Plan is a fully-integrated retirement planning program with each of the following team members:





# The Gateway 401(k)

Participants will have access to their plan online. They can choose to receive statements electronically or by print. A financial advisor will help provide employees with education about the plan and its investment options.



**Investments:**  
**Mutual Funds, ETFs,  
Managed Accounts**



**Utilize investment education  
services of  
a financial advisor**



**Mitigate fiduciary liability**



**Multiple Employer Plan:  
Pools resources to achieve  
economies of sale**



# Key Parties & Responsibilities

## ERISA 3(16) Plan Administrator & Trustee

### Fiduciary Doctors, LLC



Fiduciary Doctors, LLC. serves as the Fiduciary and Trustee of the plan which voluntarily exercises the authority over the plan assets, control and management of the 401(k) plan. In addition, it fills the role as the Plan Administrator under the ERISA section 3(21), having complete responsibility of the plan. They also have primary task of ensuring all filings with the federal government (form 5500, etc.) and other important disclosures are timely made for participants. The "Plan Administrator" of a qualified retirement plan is defined in section 3(16) of ERISA. Fiduciary functions, such as investment direction and administration of the plan, can be delegated to other providers; however, the ultimate responsibility of maintaining the plan resides with the sponsor and trustee of the plan.

## ERISA 3(38) Investment Fiduciary

### Bell Rock Capital, LLC



Bell Rock Capital (BRC) serves as a 3(38) ERISA Investment Manager for the plan. As a 3(38) plan fiduciary, they have the responsibility and authority to select the investment option for the plan and deciding if and when to make the changes to the plan investments. BRC selects a menu of investment options that meet the criteria outlined in the Investment Policy Statement. Those investment options are reviewed on a quarterly basis against a number of benchmarks. If needed, BRC will replace an investment that consistently under performs these benchmarks.

## Third Party Administrator & Recordkeeper

### FutureBenefits of America



FutureBenefits of America serves as the Plan's record keeper and Third Party Administrator (TPA). FutureBenefits of America's role as TPA includes administering compliance testing and the preparation of IRS Form 5500 for the adopter. The most important role of the TPA is to help create and maintain the plan document. The document gives direction of how the Plan operates and what provisions are allowed such as contributions, distributions and other options. The record keeping function provides processing of all payroll uploads and plan administrative services including, tracking participant eligibility and vesting status as well as participant services which include managing the website, operating the call center and providing participants with quarterly statements. FutureBenefits of America is also responsible for the conversion of assets from prior plans or IRAs, to setting up new adopters in The Gateway 401(k) Plan.

# Risk Managed Portfolios

**Horizon Investment Management**  
**Bell Rock Capital, LLC**



The Gateway 401(k) offers all participants in the Plan a variety of different investment options. Each participant can choose investment options that meet his or her desired objectives.

The Gateway 401(k) also offers participants access to professionally managed asset allocation portfolios managed by 3D Asset Management and Horizon Investment Management. These portfolios are constructed with various degrees of diversification and risk levels so that the participant can select an investment that best matches their own unique risk and time horizons.

Diversification helps you spread risk throughout your portfolio, so investments that do poorly may be balanced by others that do relatively better. Neither diversification nor rebalancing can ensure a profit or protect against a loss.

# Plan Custodian

**Mid-Atlantic Trust Company**



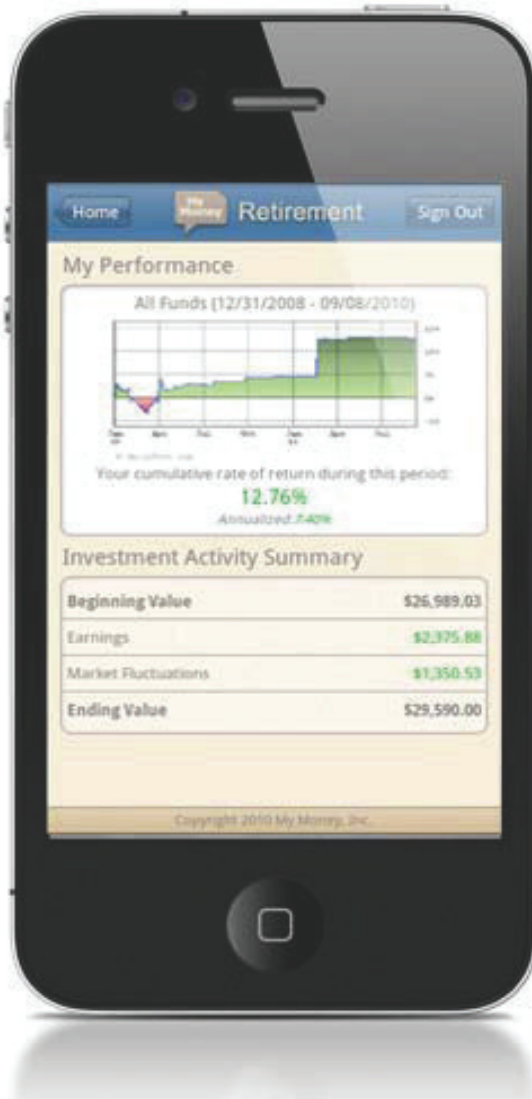
Mid Atlantic Trust Company acts as custodian for assets in the retirement plan. Mid Atlantic provides the platform that allows the record keeper to access investments for the plan. This cost effective and efficient system for mutual fund investing allows all client purchases, sales, and exchanges to be executed through the convenience of a single source and held in a single account.





# Participant Access & Tools

Whether your participants are on the move, or relaxing at home, access to a feature rich set of online tools will complete their investment experience. From personalized rate-of-return reporting, to historical performance reporting, your plan keeps participants current with an ever changing landscape of financial investments.



Account Summary | Plan Services | Planning & Advice | Reference | Personal Performance

Rate of Return | Net vs. Investment | Cumulative Returns | Activity Summary

Filter Analysis by...

Source: All | Fund: All | Period: Year to Date

Deferral  
Profit Sharing  
Match

Submit

Personal Rate-of-Return: Monthly Bar Chart

for ALL FUNDS from 01/01/2011 through 08/07/2011

**Personalized rate-of-return may be filtered by custom time periods, contribution sources, and/or investments**

Month	Rate of Return
JAN 2011	1.2%
FEB	0.1%
MAR	0.8%
APR	0.9%
MAY	-1.1%
JUN	0.4%
JUL	-1.1%

Your cumulative personal rate of return during this period: **-0.88%**

Cumulative Historical Returns

for ALL FUNDS from 01/01/2011 through 08/07/2011

Your cumulative personal rate of return during this period: **-0.88%**

Welcome

Future Sample Plan

Welcome Big Small

You may use this system to view or change the status of your retirement account. Effective immediately, you may have access to your account through your iPhone and Android Apps page. Search for FD421K Mobile and access need only information on your account. Statements are on their way, so make sure you have updated your email address to receive them.

My Summary

Participant Name	Big Small
Plan Name	Future Sample Plan(308)
Total Balance	\$19,604.65

My Portfolio

Portfolio Percent Summary

100.00%	\$19,604.65	JANUS SMALL CAP VALUE
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Balance History | Wall Street Chart

Participant access tools are provided by FutureBenefits. LPL Financial and Gateway Financial Partners have no affiliation or responsibility with participant mobile applications.



# The Gateway 401(k) Solution

## Services Include:

- ✓ Ongoing Employee Education Program to assist with ERISA §404(c) compliance.
- ✓ Online tools and calculators, etc.
- ✓ ERISA §3(16) and §3(38) fiduciary services.
- ✓ Daily Valuation Participant Website.
- ✓ Quarterly statement mailed to participant.
- ✓ Plan document & Compliance Testing.
- ✓ Certified Annual Trust Statement.
- ✓ Annual preparation of IRS Form 5500 for each adopting sponsor.
- ✓ Plan Trustee and named Fiduciary.
- ✓ Provides notices to participants for Safe Harbor and compliance (if applicable).
- ✓ Designed to comply with ERISA Section 404(c) provisions for plan.
- ✓ Provides investment fact sheets and materials on investments.



### Liability:

The employer is no longer the trustee for their retirement plan; responsibility is transferred to an independent fiduciary and fiduciary liability is reduced.



### Choice:

Adopting employers are still able to choose from a menu of investment options that incorporate risk-based portfolios along with core investment options that allow for self-direction.



### Flexibility:

The plan allows for custom design to allow each adopting employer to implement provisions (e.g. eligibility, matching) to their specific needs.



# Plan Costs

Adopting Employer Setup Fee	<b>\$0.00</b>
Adopting Employer Conversion Fee	<b>\$0.00</b>
Adopting Employer Annual Administration Fee	<b>\$0.00</b>
Custody and Record keeping/TPA Fees (Annual Administration Fees)	
FutureBenefits of America & Mid Atlantic Fee	<b>0.45%</b>
Fee per participant with an account balance > deducted at \$8.75 a quarter	<b>\$35.00</b>
3(16) Plan Administrator Fiduciary Services - Fiduciary Doctors, LLC.	<b>0.10%</b>
3(38) ERISA Investment Manager - Bell Rock Capital, LLC	<b>0.05%</b>
Financial Advisor	<b>65 BPS</b>
Investment Expenses	<b>Varies See prospectus</b>
Potential Additional Fees (if applicable)	
Portfolio Management Fees:	
3D Asset Management	<b>0.40%</b>
Bell Rock Capital	<b>0.40%</b>
Terminations & Withdrawals	<b>\$75.00</b>
Loan Setup (per loan, from participant account)	<b>\$75.00</b>
Ticket Changes	<b>\$0.00</b>

**NOTE :** For plans with assets of less than \$215,000 the following minimum applies:

\$750 minimum for Record Keeping and Administration.

It is the greater of \$750 or 35 bps. Not an extra fee.

**It is the responsibility of the Participating Employer to purchase an ERISA-required Fidelity Bond.**



# THE GATEWAY 401 (k)

## Contact Us

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Securities and Advisory Services offered through LPL Financial,  
a Registered Investment Advisor. Member FINRA/SIPC.



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