



CASE STUDY

BACKGROUND

A well-established gastroenterology group in California needed help with their 401K. They had a large 401K plan with “core” assets of the employees held at a well-known national carrier - but it also included profit-sharing for the partner physicians, each with their own separate account at various financial institutions. Some accounts included non-traditional assets such as loans and real estate assets, which can create a red-flag for audits, and the group had to hire a Third Party Administrator (TPA) to handle the recordkeeping.

This structure created a few problems. New partners had trouble setting up their own separate accounts, as most institutions already had an account of an existing partner. Managing the accounting books and records was overly complex, with statements from 8 different sources. And fees were higher than necessary as the plan incurred fees from the core asset platform, each separate account had advisor and platform fees, and the group was paying fees to the administrator.

THE PROCESS

Once the ACG Member Benefits advisor was able to collect data on all the accounts and understand the existing plan structure, they began working with the ACG platform partner (AXA Equitable) to determine how this plan could be simplified and improved on the ACG Benefits platform. It would require moving a variety of asset types from multiple accounts, all while not disturbing the participants’ investments and protecting existing advisor relationships.

THE RESULTS

Ultimately, AXA Equitable was able to offer the group multiple options to accomplish their goals. They were able to reduce the core asset charges by 34%, eliminate the administrative charges completely, provide individually directed accounts so partners could continue to hold existing assets, continue paying personal advisors on the individual accounts, offer any new partners the ability to open an individual account, and house all the recordkeeping on one platform with one report.

Recordkeeping Simplified 

Asset Charges Reduced 34% 

Individual Accounts 

Admin Fees Eliminated 