New GBARS Trustee and Administrator

We are pleased to announce that coming in 2017, we’re going to have a new custodial and investment management team and a new record keeper helping us manage our 401(k) plans. We’re excited about this new direction, and I wanted to share with you more about our decision to bring on the new partners, introduce you to them and explain some of how the transition process will work.

One of the benefits of being a part of the GBA Master 401(k) Trust is that GBA Retirement Services, as the Master Plan Sponsor, screens service providers on your behalf. We periodically review other providers to make sure our investments, returns and fees are in line with the market and a good value for the services provided. Earlier this year, GBA Retirement Services engaged an outside consultant to conduct a plan review, and we put the custodial, investment and recordkeeping services for the Master 401(k) Trust out for bids from other service providers. Eleven providers expressed interest, and our due diligence team met with five of those for further review, including our current providers, Reliance Trust Company (“Reliance”) and Alerus Retirement and Benefits (“Alerus”), formerly Alliance Benefit Group.

Based on our review, the GBA Retirement Services Board of Directors recently met and approved a change effective January 1, 2017. Unified Trust Company will be the new discretionary trustee, investment manager, and custodian of the Master Trust, and BlueStar Retirement Services will be the provider of recordkeeping and third party administration services.

We truly appreciate the service both Reliance Trust and Alerus have provided our Master Trust and each member bank for many years. We did not make this decision to move to new providers lightly. We spent much time and due diligence in this process. Among the many reasons we are making this change include strong participant focus through retirement readiness programs and personalized portfolios, streamlined administration for plan sponsors, upgrades in technology, and cost savings from the current structure. Both Unified Trust and BlueStar have broad experience working with Multiple Employer Plans (MEP’s) which are a very similar structure to the GBA Master Trust. The advantages of this change are provided in more detail below.

New Investment Options for Participants

Through Unified Trust, we will offer three investment options for participants: 1) a fund line up for those who choose to build their own portfolios, 2) six risk models very similar to our current Lifestyles models, or 3) personalized models for each participant called the “Unified Plan.” The Unified Plan is a new concept. This plan builds a portfolio mix customized to the individual by taking into consideration things like an individual’s own criteria including age, risk tolerance, salary, and other income sources such as a pension plan or spouse’s retirement. This is similar to the Lifestyles models, but because the Unified Plan is personalized, it will adjust in risk levels as the participant gets older or the participant’s needs change. The Unified Plan is structured to only take as much risk as necessary for the participant to reach his or her goal.
The Unified Plan helps participants determine the monthly income needed at retirement, and the quarterly statements will show each participant if he or she is on track to reach the income needed to retire. We called several of Unified Trust’s references and they reported having seen better outcomes for their participants since adding the Unified Plan. We’ve seen statistics that show only 25 percent of employees are on track to retire by replacing 70 percent of their monthly income. After adding the Unified Plan, many plan sponsors have seen that number increase to around 70 percent of employees who are on track to retire with the capability of replacing 70 percent of their monthly income. That certainly won’t be the case for everyone, but getting closer to a higher percent of salary replaced at retirement can make a big difference in peoples’ lives.

Support Services will be Enhanced

Through the new recordkeeping partnership with BlueStar, we are able to offer much more technology and oversight for your plan. The host of new services available for your plan includes:

- Eligibility calculations and enrollment kits will be sent directly to your employees before they become eligible. If your plan has “immediate” eligibility, we will provide you with enrollment kits to have on hand for new employees.
- Deferral amounts of newly eligible employees are reviewed on the first contribution file to make sure the amount withheld for a participant’s 401(k) was the amount the participant elected to defer. The same oversight is provided for the first payroll file after a new loan has been taken if your plan provides for loans.
- If your plan has automatic enrollment features, the added oversight and assistance will be a huge help to your Human Resources staff as automatic increases can also be tracked.
- Flexibility to allow paper and online enrollment for each plan.
- Monthly plan statement at plan-sponsor level detailing investment option usage, plan balances, participation rates and newly eligible participants.
- Ability to track and get detailed distribution detail and other pending activity in one location on the website.
- Direct deposit option is once again available for participant loans.

Plan Transition

GBA and Alerus will provide all you need and guide you through the conversion, so the impact on your bank should be minimal. Even though assets will transfer effective January 1, 2017, we will map each participant’s balance into similar investments so there will be no rush at year-end for re-enrollments and participant meetings. During the first quarter of 2017, we will schedule meetings with each bank or Trust member so that we can go over the new investment options with everyone. Armed with that knowledge, participants may then elect to stay where they are or choose other options if they want to transfer to or from the funds they were mapped into by Unified Trust. Of course, transferring funds is always available and no one is required to wait until these meetings if they want to make changes earlier.
If your company uses Alerus for payroll services, there is no need to worry about losing your current, streamlined process. BlueStar is able to integrate with most payroll providers and has already begun working with Alerus to ensure they can provide the integration directly to the BlueStar website on your behalf. BlueStar works with many other payroll providers as well through either: 1) “180 integration” in which the payroll company uploads your file to them or 2) “360 integration” in which the 401(k) and payroll can feed back to each other.

Representatives from Unified Trust and BlueStar will be presenting at this year’s 401(k) training seminars. It is important to try to have someone from your bank attend so they can learn more about these changes. The Macon meeting will be on Tuesday, Nov. 29 and the Atlanta meeting will be on Wednesday, Nov. 30. More information will be sent to each Human Resources representative.

We appreciate your continued support. Our commitment to you is to provide the best possible service while maintaining affordable fee structures. We feel that Unified Trust Company, in partnership with BlueStar Retirement Services, is the team that can provide us with the high-quality service we need at reasonable costs going forward.

Thank you in advance for your support, cooperation and patience during this upcoming conversion. Look for more details and information soon. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Amanda Richards
Director of Retirement Services
GBA Retirement Services, Inc.