Your Finances

Who's Watching Your Nest Egg?

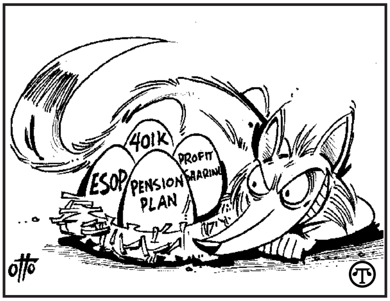
(NAPSA)—No matter what your age, now is a good time to reassess financial assets, making sure your retirement portfolio is positioned for best returns. Meanwhile, with corporate fraud and bankrupted retirement plans commonplace, it is critical to check that your 401(k)s, Employee Stock Option Plans (ESOPs), pension plans and profit-sharing plans are being managed to protect your interests.

Safeguarding retirement assets isn't only about what's in your portfolio. It's also about who's behind your portfolio. Each company assigns a "protector," called a named fiduciary, to ensure that employees' rights are first when it comes to retirement plan assets. Most employees, however, do not know who their named fiduciary is, or how he or she is performing their job. In worst-case scenarios, fiduciary wrongdoing can lead to bankrupted retirement assets.

Retirement benefits attorneys and law professors Ed Sutkowski and Dean Rhoads say you can take steps today to help protect your retirement assets. With 50-plus years' experience, they lead Sutkowski & Rhoads, one of the country's few law firms specializing in ERISA, the legislation that governs private pension plan management.

Here are 10 tips from Sutkowski & Rhoads to help assure your retirement assets are managed in your best interests:

1. Learn what a fiduciary is and which one is assigned to you. Fiduciaries are individuals with discretionary authority over your retirement plan and its assets. Fiduciaries hold various titles, including HR director, CFO, president or trustee. The "named" or "boss" fiduciary has overall responsibility for your plan's management and operation. Fiduciaries are accountable to you, and you should know who they are.



How secure are your retirement investments?

2. Keep tabs on how fiduciaries are managing your plan. Do you notice any unexplained fees charged to your account? Are existing fees higher than those charged by outside providers? Are charges imposed if you switch investments? Do investment options carry high risk?

3. Determine if any of your investments are provided through an insurance company. If so, what guarantees does the insurer make? What control does it have over your investments, and what are its fees? Does it charge if you switch assets or terminate the investment?

4. If you are married, learn your plan rights as a spouse. In general, rules exist to protect spouses' rights. Find out which apply to you.

5. Make sure your employer offers diverse retirement investment options. How varied are your options? Can you change allocations at least quarterly, and are you charged for changes? Must you invest part of your account in employer securities?

6. Make sure you receive plan updates on a regular basis. You should receive updates at least quarterly.

7. If you participate in an ESOP, find out if and how much your plan is leveraged. Did the ESOP borrow to buy employer shares? Did share values decrease after the ESOP borrowed to purchase more employer shares? Did major employers sell shares to the ESOP just before your employer ran into financial difficulty?

8. Examine any major plan changes made by your employer. Have changes reduced benefits? Were any early retirement options cut? Did changes restrict plan benefit payment options?

9. Be sure your benefit is determined correctly under the plan. Are all your plan years recognized? Who and what decide your benefit amount?

10. Realize you can take legal action if your retirement plan has suffered due to fiduciary abuse. A fiduciary who violates his duties to a retirement plan is liable to the plan for related plan losses and gains.

To learn how ERISA laws can help you reclaim lost assets and protect existing ones, visit www.erisalawfirm.com.