

Compliance Hassle, Compliance Risk

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We had been with a different supplemental/executive benefit provider, and the laws were getting more complicated. We were going to spend a lot of money for something that would allow us to comply with these new laws. When we were trying to get our arms around the new laws, I was introduced to Nolan Financial. To Mike Nolan, specifically. We described what we were currently doing, our concerns, the main one being needing to be compliant. And through conversations with Mike, we became very comfortable, very quickly, with how well he understood not only the previous laws but how to create a solution to be compliant as we moved forward.

Then I got people here involved—lawyers, CFOs, etc. We brought Mike and a colleague to Sioux Falls to meet with the administrative team, who would make the decision. That went well, we got the go-ahead, and they implemented a creative solution very quickly.

Not only were they able to develop a creative solution in a short time for the supplemental/executive benefit plan, they worked with us to review our life insurance and disability insurance plans. They brought vendors to the table who could give us the best cost and product.

Mike and his team created an action plan for us: where we needed to go by when, the information we needed to communicate internally to participants who would be affected by the changes. They navigated the whole thing. They helped us terminate our relationships with previous vendors. They prepared all the appropriate documentation. We relied on them 100 percent.

I was very pleasantly surprised at the outcome. Sometimes with a big change of this sort, you end up doing a lot of the work yourself, but they made it very easy. I couldn't have done the transition without them. In fact, the transition was nothing short of awesome. We're going on our fourth

plan year, but I have nothing but awesome things to say about them. They're professional, competent, and they help us whenever we get in over our heads and make a mistake.

Of course, compliance is the most important concern—not only for the organization but for our participants. We have never had any issues.

They communicate with us. They keep us in the loop when a federal law changes. When they complete their own internal audit, they let us know what the outcome was. They're very transparent. I visited their office last year. Michael was the only one I had met. It was great to meet face to face with the people on our account.

Our highly compensated employees were very happy with the shift to Nolan. The previous vendor always did a high-pressure sales job, because the account rep was getting a commission from them. With the big dogs, we just felt like a piece of meat. But Nolan makes us feel like we're their only client. I like it that they operate in a niche of the market.

Nolan was never high pressure. Their approach was "We're here to help you understand what we have and how it can help your organization." They are very good at building relationships and through that, they build trust.

I can't say I wish they'd do this or that differently. They have exceeded our expectations exponentially.

Because the laws are changing so quickly, it's essential that we work closely with a company like Nolan. For example, in the last four or five years, the IRS has published three, new, major regulations that affect our plan design. We have to be compliant with deferred compensation—the way to keep it deferred is to dot all the i's and cross all the t's. But every time the IRS issues a new regulation, I have to go out to all my plan administrators and say, "Oops, here are more

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changes.” It’s a burden on the administrators. It was complicated anyway, but then with more new IRS regulations on top of that, it’s very difficult and very high risk.

We even asked ourselves, “Should we even be offering this benefit anymore?” Because it’s such a hassle! Now Nolan takes the hassle part out of it.

But even with Nolan taking the hassle out of it, the IRS is making it almost impossible, especially for small businesses, to take advantage of these tax savings. Our folks don’t make that much. These rules are for the Enrons and big corporations—we get hit by all the rules that are an administrative hassle for us. We had talked about doing it ourselves, but the compliance side—we needed someone who was knowledgeable. And it’s Nolan’s business to be knowledgeable about this—not ours.

Here are my five favorite things about them:

1. They are responsive.
2. They build relationships.
3. They’re easy to work with. It’s evident they’re trustworthy. The entire firm is imbued with integrity and character.
4. We can feel fully confident that they are totally compliant with all laws and regulations pertaining to our plan.
5. They’ve got our plan online. I can look up any employee’s account online. I can print out the same statements the employee does. It’s easy to find everything I need.